

Cabinet tells El Al: No Shabbat flights

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — The cabinet yesterday decided to instruct El Al to stop its flights on Shabbat and other Jewish holy days as of September 1, and submitted its resolution for endorsement and implementation to the Knesset Finance Committee, which is to continue its discussion of the issue today.

El Al's workers yesterday vowed to continue their fight against the airline's closure "to the bitter end," if the finance committee follows through and closes the airline, as it is expected to do. The workers' representatives would not elaborate on the measures they would take, but said these would be radical and may include returning their military reserve identity cards (*Pinkasei milu'im*) to the state.

The cabinet also decided to direct El Al's board of directors to prepare a new timetable for flights excluding Saturdays and holidays, and forbade the airline to accept reservations for flights on those days.

The resolution followed Prime Minister Menachem Begin's insistence that El Al's flights on Saturdays and holidays stop abruptly September 1 and not gradually, as

had previously been decided. Deputy Prime Minister Simha Ehrlich was the only minister to oppose closing El Al on Shabbat and other holy days, contending that Israel should not be cut off from the world on those days and that El Al's severe financial problems would increase as a result of ceasing operations on the Sabbath.

Energy Minister Yitzhak Berman (Liberal) voted for the resolution, but said his faction would demand to change the coalition agreement on closing El Al on weekends and holidays. (See report on page 3)

The cabinet resolution was received with anger and despair by El Al's workers, who termed it "hasty and unjustified."

"The committee discussed a question involving the loss of millions of dollars and the firing of hundreds of workers without any data or relevant material," charged El Al's workers committee's spokesman Gabi Saltzman yesterday. "When we tried to provide them with relevant data they would not let us talk."

The finance committee will continue its discussion today, and has allotted El Al's workers committee's

Begin puts damper on Camp David change talk

By ASHER WALLFISH
Post Diplomatic Reporter

Prime Minister Menachem Begin decided yesterday to put a damper on talk in the U.S. about interpretations or revised versions of the Camp David agreement that would not accord with the cabinet's model for autonomy in Judea, Samaria and the Gaza District.

The remark by U.S. Secretary of State George Shultz on Friday about "a lot of room within the Camp David language" for "different interpretations" made a warning light flash on in Jerusalem.

Begin made a statement at the start of the regular weekly cabinet meeting yesterday and his aides made sure it got out to the news media while the cabinet was in session. His damper was in the "bottom line" of the statement — namely, that "there will be no negotiations on any proposal whatsoever that deviates from the framework for peace, as established at Camp David."

This firmness was mitigated in part by the preceding statement that "the government of Israel will initiate action for the establishment of a comprehensive peace in the Middle East as established at Camp David."

Begin did not hold any discussion in the cabinet yesterday about concern over possible American moves to get the autonomy talks going on a different basis. However, a cabinet minister close to the autonomy issue from its inception told *The Jerusalem Post*: "The U.S. knows just where we stand on autonomy as envisaged in Camp David, because we have made our model public. Any inaccurate, unacceptable or distorted interpretations of autonomy as laid down at Camp David can be rebutted from the language of Camp David with ease. They will quickly come to nothing, therefore."

This minister explained to *The Post* that although the prime minister wished to avoid making statements until the evacuation of Beirut was completed, he felt compelled to "nip a developing tendency in the bud."

He also cautioned that all talk by foreign leaders about the PLO and its future generated the impression that the PLO was still "alive and kicking."

"Before Operation Peace for Galilee," he said, "the PLO was in a position to hamper the peace process. Today that is no longer so. But continued talk about the PLO would be counterproductive and eventually enable it to put a spoke in the wheels of peace. To keep the peace process moving forward, the Palestine problem and its solution must be dealt with solely within the Camp David context."

Begin, in order to stiffen his colleagues' resolve to withstand moves by Washington over autonomy, reminded them of a letter that Israel's first president, Chaim Weizmann, wrote U.S. President Harry Truman in January 1949.

Truman was trying to pressure Israel to get the Israel Defense Forces out of El Arish, which they

PLO boatload sails after U.S. pledges to remove illicit jeeps

Lewis letter ends crisis

By ASHER WALLFISH
Post Diplomatic Reporter

The crisis over the PLO jeeps loaded aboard the freighter in Beirut port yesterday, which held up the evacuation for several hours, was resolved by a letter from U.S. ambassador Samuel Lewis to Prime Minister Menachem Begin promising that the vehicles would be removed before the terrorists reached Tunisia, their destination.

It is understood that they will be taken off in Naples, where the U.S. Sixth Fleet is based.

Israel Television's military correspondent, Ron Ben-Yishai, put all the blame for the crisis on U.S. mediator Philip Habib. But two senior officials in the Prime Minister's office said that Ben-Yishai's allegations were the first they had heard of this.

Lewis wrote:

Dear Mr. Prime Minister:

I have the honor to assure you on behalf of the U.S. Government, that we shall be able to help unload all the vehicles, like jeeps and landrovers, which were loaded in Beirut on Sunday aboard the Sol Phryne.

The unloading will take place in a country en route to Tunisia, and the vehicles unloaded will be temporarily under American control.

Yours,
Samuel Lewis

Ben-Yishai charged that Habib was entirely to blame for the crisis.

Habib allegedly told the French ambassador in Beirut, who came to him on behalf of the PLO asking to load on the vehicles, that they could do so. But he did not ask for Israel's approval.

(The Habib plan says clearly that the terrorists can depart with one side-arm and ammunition, but must leave all other equipment behind. See p. 5)

Ben-Yishai said that Habib did not wish to take part in the talks to defuse the crisis. Therefore, he asked Lewis to negotiate with Begin and Defence Minister Ariel Sharon in Jerusalem, and his aide Morris Draper to negotiate with the OC Northern Command Aluf Amir Drori in Beirut.

Ben-Yishai said that once Lewis promised the letter with the commitment to remove the jeeps en route, it was decided not to force the issue and keep the ship back any further, so as not to "embarrass Habib publicly" and as a "gesture to the U.S."

Ben-Yishai said that Habib had exceeded his authority.

A diplomatic source told *The Jerusalem Post*, however, that the PLO put the jeeps aboard because of a misunderstanding on their part, and because they thought they were

By ABRAHAM RABINOVICH
Jerusalem Post Reporter

BEIRUT. — Israeli gunboats, which earlier yesterday barred the exit from Beirut harbour of a boatload of expelled Palestinian terrorists, were withdrawn last night after an agreement was reached regarding jeeps and landrovers the terrorists had loaded on the ship (see below). The ship sailed shortly before 9 p.m.

The terrorists' vehicles had been driven into the holds of the Cypriot ferry Sol Phryne without any interference from the Lebanese and the French soldiers overseeing the evacuation. Israeli officials said the move was in clear violation of the withdrawal arrangement. "The Palestinians are permitted to take only their personal weapons," said an Israeli foreign ministry official in Beirut. "That is the accepted plan and we demand that it is adhered to."

Israeli officers in Beirut informed American and Lebanese officials that the ships would not be permitted to leave until the vehicles were removed. Israeli Navy ships appeared shortly afterwards just outside the mouth of the harbour and took up station. An American warship soon appeared circling some distance offshore as it observed the scene.

At this point, half of the 1,000 terrorists due to be evacuated yesterday had boarded. They remained on the moored ship through the long afternoon while the situation was being negotiated. Loudspeakers could be heard in mid-afternoon on the ship summoning the terrorists from the deck to an assembly inside. Music could be heard faintly coming from the ship. An Arab listening outside the port gates said it was "not necessarily sad."

The second day of the expulsion began routinely before noon yesterday, when the first of the expellees, destined for Tunisia, began to board the ferry, a sister ship of the one that took out the first group of 400.

Unlike Saturday's expellees, who wore berets and fatigue caps, yesterday's wore keffiyas. It was this headgear as well as uniforms that provided cover for the women and children the PLO smuggled on board.

However, Israeli officers observing from high points from outside the port spotted this deviation from the withdrawal arrangements, as well as the moving of vehicles and RPG rocket launchers onto the ships.

Reporters watching from a nearby rooftop could see no attempts by the French or Lebanese soldiers to check the persons boarding the ship or their baggage.

Shultz, Weinberger say U.S. making new plan

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — Secretary of State George Shultz and Secretary of Defence Caspar Weinberger said yesterday that the U.S. was in the process of putting together a new plan for reviving Arab-Israeli peace negotiations.

"I think there are a lot of ideas that have been discussed and are being considered and an American plan, I believe, is in the process of being formulated," Weinberger said on the CBS television interview programme "Face the Nation."

Shultz, appearing on NBC's "Meet the Press," said the U.S. has come up with some "general ideas" on how to revive the Camp David negotiations for Palestinian autonomy now that the immediate crisis in West Beirut appears to have been resolved.

Both Shultz and Weinberger denied that a specific U.S. blueprint has already been approved. Still, they made it clear that the Reagan administration plans to make a major effort in the coming weeks to get the peace process moving.

They spoke just before yesterday's hitch in the removal of the PLO from West Beirut was worked out. Both men had confidently predicted that the delay would be resolved through special U.S. envoy Philip Habib's mediatory efforts.

Once again, Shultz was extremely cautious in his comments on the Arab-Israeli conflict, clearly trying to balance his continued support for Israel's security with criticism of various Israeli policies on the West Bank.

The secretary also made it clear that the U.S. regards UN Security Council resolution 242 as requiring at least some territorial withdrawal from the West Bank and Gaza.

The secretary said resolutions 242

and 338 as well as the Camp David framework accords provide "ample bases and good bases" for the negotiations. As he did at a news conference on Friday, Shultz underlined his contention that the language of Camp David was broad enough to encompass different interpretations for a final outcome.

He noted, however, that for the negotiations to result in "genuine peace," there had to be "more countries involved than Egypt, Israel and the U.S."

He also said that the Palestinians themselves must play a role in determining their future, although he once again refused to endorse the concept of Palestinian "self-determination." The term, he explained, has taken on the meaning of supporting an independent Palestinian state. "I'm not going to bite on that one," he said.

Weinberger, at the same time, insisted on differentiating between the Palestinians and the PLO. He said the Palestinian people "have to have some hope."

On the Israeli dismissal of the West Bank and Gaza mayors, Shultz said that these Palestinian leaders "served with a certain legitimacy." It was unfortunate, therefore, that they were fired, he added, since "one of the things we are looking for if this negotiation is to succeed are Palestinians who are legitimate to represent them."

It was also "unfortunate," he went on to say, that Israel had barred Bethlehem Mayor Elias Freij and Gaza Mayor Rashad Shawa from appearing on "Meet the Press." The two mayors had been the scheduled guests yesterday instead of Shultz. NBC has said the two men were denied travel documents to come to Washington. The civil administration in Judea/Samaria has denied that Freij was barred from leaving for the U.S.

Begin did not hold any discussion in the cabinet yesterday about concern over possible American moves to get the autonomy talks going on a different basis. However, a cabinet minister close to the autonomy issue from its inception told *The Jerusalem Post*: "The U.S. knows just where we stand on autonomy as envisaged in Camp David, because we have made our model public. Any inaccurate, unacceptable or distorted interpretations of autonomy as laid down at Camp David can be rebutted from the language of Camp David with ease. They will quickly come to nothing, therefore."

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Truman was trying to pressure Israel to get the Israel Defense Forces out of El Arish, which they

1 IDF man killed and 5 wounded in PLO raids

By JOSHUA BRILLIANT
Jerusalem Post Reporter

An Israeli soldier died of his wounds yesterday, after having been wounded in a clash with a terrorist squad on Saturday. The terrorists were trying to infiltrate territory held by the Israel Defence Forces near En Zahla in the eastern sector of Lebanon.

Another five Israeli soldiers were wounded and three terrorists killed as the PLO stepped up its hit and run attacks in the Bekaa and in Tyre during the last two days.

The Israel Defence Forces spokesman said that three terrorists were killed when their squad tried to cross into the Israeli-held area east of Kafr Amik on Saturday night. The IDF suffered no casualties.

Enemy activity in the Kafr Amik area has increased recently. The Syrians have reportedly reinforced their armoured and infantry units in the area, and senior officers were seen briefing PLO men in front-line positions.

Israeli sources suggested that the enemy's moves were designed to prove that, despite the withdrawal from Beirut, the PLO was not dead.

Five soldiers were wounded yesterday afternoon when their vehicle was ambushed north of Tyre. The wounded were rushed to hospital and IDF units began a search for the attackers.

It was the third attack in the Tyre area in the past few weeks, but the first in broad daylight. The PLO had previously attacked an Egged bus, a German reporter's car and a military police jeep from the area's

thick plantations.

It is not clear how many PLO men are still in the Tyre area.

Menahem Horowitz adds: Lebanese civilians who arrived in Metulla yesterday from villages in the Bekaa reported on the high state of readiness of Syrian forces there. At night, the Syrians reportedly fire in the air, fearing an Israeli attack.

The Syrians are reported to have set up road blocks near the Israeli lines, and to be checking all Lebanese vehicles. The civilians also reported that Syrian troops in the Bekaa have converted private homes and community buildings near the Israeli lines into advance observation posts.

Black September was a 'family affair' Hussein greets first group of 265 expellees to Jordan

Jerusalem Post Staff and agencies

King Hussein of Jordan yesterday told the first group of expellees arriving from Beirut that "we will win in the end," and embraced each of the 265 members of the Jordan-based Palestine Liberation Army who departed at Mafraq military base north of Amman.

The PLA contingent was part of the first batch of 400 terrorists who left Beirut port on Saturday and arrived at Larnaca, Cyprus, yesterday morning. The other 140 terrorists were flown from Cyprus to Baghdad.

As the unarmed terrorists got off the aircraft at Mafraq, they raised

their arms in victory salutes and chanted "We will never surrender" and "We will win."

In a rare public reference to Black September — the 1970 fighting during which the Jordanian Army expelled the PLO from Jordan — the king said: "Whatever happened in the past was a family affair."

He did not elaborate or say whether Jordan would be willing to grant an amnesty to PLO terrorists with Jordanian passports and security records in the kingdom.

Farouk Kaddoumi, head of the PLO political department, flew in from New York to say goodbye to

Efforts stepped up to block Jemayel Lebanese deputy killed; election tension rises

Jerusalem Post Staff and agencies

A Lebanese member of parliament was shot and killed yesterday in the Syrian-dominated Ba'albek area of the country on the eve of today's scheduled presidential elections.

Another Shia deputy, Hussein al-Husseini, also from the Ba'albek area, survived an attempted assassination in West Beirut on Friday night.

The 91 surviving deputies are supposed to meet today in the Lebanese military headquarters in the East Beirut suburb of Baabda, after the elections were postponed last Thursday. Ostensibly, the reasons for that delay were security problems around the parliament building — which lies between Israeli and terrorist lines near the National Museum. But Lebanese politicians agreed to the postponement because it had become clear that the necessary 62-member quorum for the elections could not be guaranteed.

The parliament must elect a replacement for President Elias Sarkis, whose six-year term expires on September 23.

But the only candidate so far is a man unacceptable to many Moslem politicians: Bashir Jemayel, the 34-year-old commander of Lebanon's right-wing Christian militias (Phalange).

Jemayel made his reputation during the devastating civil war in Lebanon in 1975 and 1976, when the Christians fought an alliance of Moslem, leftist and Palestinian groups.

Moslem Members of Parliament held constant meetings yesterday, trying to block Jemayel's election by organizing a boycott of today's session.

Among those opposing Jemayel are Sa'eb Salam, leader of the Sunni Moslem community, and leftist and Druse leader Walid Jumblatt.

Jumblatt yesterday met former president Camille Chamoun, who is sometimes mentioned as an alter-

native to Jemayel. Neither man had any comment after the meeting, but the state-run television reported the men talked about the necessity of avoiding inter-communal disputes in the country.

Deputies from both ends of the political spectrum agree that if the necessary 62 deputies turn out and the election takes place, Jemayel will almost certainly become president as a solid majority of members support him.

So the Moslems have been concentrating on ensuring that the session is not held.

Moslem deputies said yesterday that 31 members were supporting the boycott, just enough to stop the election, but if there was one defector Jemayel would be president.

Moslem politicians have warned that if this happened, the country could slide back into civil war.

Men from Jemayel's militia yesterday afternoon sealed off the only two crossing points from East Beirut, which they control, into the western sector of the city, where most of the Moslem leadership is based.

Militiamen at the crossing points said no traffic would be allowed in until 3 p.m. today.

They said they did not know why they had been ordered to close the roads. But Moslem politicians accused the Phalange of trying to stop deputies from going to last-minute meetings in West Beirut.

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CHICAGO	13	10	18	Clear
DENVER	14	10	22	Cloudy
FRANKFURT	9	10	18	Cloudy
GENEVA	8	10	18	Cloudy
HELSINKI	10	10	17	Clear
HONG KONG	27	21	32	Clear
JERUSALEM	6	4	21	Clear
LONDON	15	10	20	Clear
LUXEMBOURG	15	10	20	Clear
MADRID	15	10	20	Clear
MONTREAL	10	5	21	Cloudy
NEW YORK	20	16	24	Clear
OSLO	7	6	20	Clear
PARIS	14	10	22	Clear
RIO DE JANEIRO	12	10	24	Clear
SAO PAULO	10	10	24	Clear
STOCKHOLM	8	4	17	Clear
TOKYO	28	23	31	Clear
TORONTO	12	5	23	Cloudy
VIENNA	17	10	22	Clear
ZURICH	15	10	18	Clear

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THE WEATHER

	Yesterday's	Yesterday's	Today's
	Humidity	Temp	Temp
Jerusalem	50	16-28	29
Golan	39	18-31	31
Nahariya	61	20-31	31
Safed	37	16-29	30
Haifa Port	65	21-30	29
Tiberias	43	22-35	35
Nazareth	50	19-31	32
Afula	50	21-31	32
Shomron	53	20-30	30
Tel Aviv	62	23-30	30
B-G Airport	50	21-31	31
Jericho	38	21-35	35
Gaza	68	22-29	29
BeerSheva	39	19-32	33
Eilat	13	24-39	39

SOCIAL & PERSONAL

Knesset Member Aharon Nahmias, mayor of Safad, has been appointed chairman of the Israel-Portugal Interparliamentary Friendship Society by Knesset Speaker Menahem Savidor.

The Association for Civil Rights in Israel yesterday presented retired Supreme Court Justice Haim Cohn with a collection of essays, *Civil Rights in Israel*, edited by Dr. Ruth Gavison and produced in his honour.

ARRIVALS

A B'nai Zion delegation led by President Jack Wilcox, from the U.S., to advance their programme for aiding the completion of the Beit Hachaim in Haifa.

Enter Jungreis, from the U.S., for a series of appearances before IDF units.

Aryeh Altman buried on Mt. of Olives

Aryeh Altman, the Revisionist leader, who died in Jerusalem on Saturday, aged 80, was buried in the Mount of Olives cemetery in Jerusalem yesterday.

Prime Minister Menachem Begin, Knesset Speaker Menahem Savidor and ministers Yitzhak Shamir, Yaakov Meridor and Eliezer Shostak were among the large crowd of mourners.

Altman headed the Zionist-Revisionist movement in Eretz Yisrael before the founding of the state and as a member of the Knesset from 1951 to 1965. (Itim)

Israeli press centre opens in Beirut

Post Diplomatic Reporter

Moshe Arad, a deputy director-general in the Foreign Ministry, has been put in charge of a new communications-media centre in the Baabda quarter of East Beirut. The centre was opened yesterday to give the Israeli and foreign journalists coordinated news and background from the Foreign and Defence ministries.

Arad will give regular briefings, be available to answer questions and issue printed material in considerable variety. *The Jerusalem Post* was told in Jerusalem.

Arad, who has been representing the Foreign Ministry in Beirut for some weeks, will maintain his other functions, which include contacts with the International Committee of the Red Cross and the military forces in the area.

FREE TRIP. — The Egyptian government yesterday decided to allow free Suez Canal passage to ships carrying PLO terrorists evacuated from Beirut to South Yemen.

Hayek club tries to drop its Likud image

TEL AVIV. — The Hayek club, opened on Tel Aviv's beach front near the Marina a few months ago as the Likud's answer to Mapam's Tzavta club, is trying to shake off its Likud-related image.

Two new partners — Arik Sinai and Sola Yurman, neither of whom is known as a Likud supporter — have been added to the club's original owners in an attempt to attract singers and performers, as well as the Bohemian crowd.

Yurman told reporters yesterday that although the club's name will not be changed, it will not engage in any political activity and Likud members will have no special benefits. "Not one stekel from the Likud has gone into setting up the place," he asserted.

HOME AND WORLD NEWS

Shultz praises article by Mubarak in U.S. newspaper

WASHINGTON. — Secretary of State George Shultz yesterday praised a long article in *The Washington Post* by Egyptian President Hosni Mubarak as "a very constructive contribution" to the discussion on how to revive the Arab-Israeli peace process.

Shultz added: "I do think that the establishment of a situation where the Palestinian people can have some sense of dignity and control over their lives is a very important ingredient."

Writing on the Op-Ed page of *The Washington Post*, Mubarak listed three conditions for reviving the peace negotiations:

- The U.S. must recognize the right of the Palestinian people to self-determination.
- All Israeli settlement activities must be halted.
- Certain confidence-building measures must be taken to restore the trust of the Palestinian inhabitants of the West Bank and Gaza.

"In the absence of such new sense of direction, it would be most

difficult to resume the autonomy talks or revive the peace process," Mubarak wrote. He added that Egypt's experience in the autonomy talks has been "painful for several reasons. Israel is maintaining a narrow and unbelievably restricted interpretation of the provisions of the 'framework'."

Mubarak rejected as "absurd" the "Israeli idea of converting Jordan into a Palestinian state." He said that the fact that Jordan "hosts a sizeable Palestinian community temporarily is of no significance, for this is the case in many Arab countries." The concept, he said, is as erroneous as "suggesting the establishment of a Palestinian state in Lebanon."

He also lashed out against Israel's military move into Lebanon. "I am deeply concerned and worried over the tragic developments in the Middle East. The area is witnessing a catastrophe of unprecedented proportions. The senseless killing and devastation in Lebanon has been destroying the very fabric of life in the entire region."

West Beirut gun salutes prove fatal

BEIRUT (Reuters). — At least one person was killed and 40 wounded in West Beirut yesterday when terrorists fired their rifles into the air to salute their departing comrades. The rifle fire was interspersed with the heavier sound of mortars.

The Israeli forces in East Beirut restored electricity supplies to West Beirut, which had been without

electricity for nearly four weeks. As the tension in West Beirut eased, residents who had fled their homes there began to flock back. In East Beirut, Christian militiamen closed off all roads leading to the port where the terrorists were embarking, preventing journalists from approaching the area.

Lebanese Druse 'shaken' by Israeli action

METULLA. — The Druse community in Lebanon has been shaken by the transfer by the Israeli Defence Forces of a base manned by Druse soldiers before the war to the Christian Phalange forces. President Yitzhak Navon's adviser on minority affairs, Kamal Mansour, reports. He said yesterday that Lebanese Druse consider this a provocation against them.

Mansour, who just returned from a private visit to Druse in Lebanon, said that over the weekend Christian Phalange forces fired RPG

shells at Druse houses several times. He added that the roadblocks the Phalangists had set up in the Shouf mountains are still in place, and many Druse kidnapped by the Phalangists have not yet been released.

Mansour, a Druse, called on government ministers to visit Druse villages in Lebanon, to speak with the residents, and to listen to their complaints. He also said that Israel should work for an agreement between the rival sides that would stop the bloodshed.

NO SHABBAT FLIGHTS

(Continued from Page One)

representatives two hours to have their say.

El Al's workers will ask their legal advisers to check whether closing the airline on Shabbat and holidays is in keeping with the government companies law. The workers' representatives noted yesterday that the High Court of Justice a few months ago forbade the government to do so, without the finance committee's approval and speculated whether yesterday's cabinet resolution contradicted that order.

El Al's workers were furious yesterday and called for immediate "radical and violent action" against the cabinet resolution, and it was only with difficulty that the works committee managed to calm them down "until the finance committee's decision today."

"Whatever we decide to do after the finance committee's decision, we shall do with a clean conscience, knowing we tried everything else and failed," Saltzman said. He added that the workers would try every legal way open to them first.

The workers' representatives also met secretly with Agudat Yisrael leaders over the weekend in a last ditch attempt to find a solution, but failed, Saltzman said.

"The workers are under immense tension and pressure, and there are calls to convert to Christianity, to

get married in civil ceremonies and to sever ourselves altogether from the rabbinate, as well as more demonstrative action," Saltzman said.

Agudat Yisrael leader Avraham Shapira, Knesset coalition chairman, said yesterday that the government would not desert El Al, and knows what is good for its national airline. "The government will not kick El Al workers out of their jobs due to stopping flights on Saturdays and holidays," Shapira said.

"There are plans to expand El Al's operations on weekdays to provide work for the workers and to make more money," he said, adding that there are superfluous workers in El Al who should be fired without any connection to the Sabbath issue.

El Al's management yesterday expressed sorrow at the cabinet decision but said it would obey the decision.

As the El Al debate went on, the parity committee of the Histadrut, the Hapoel Hamizrahi and Poalei Agudat Yisrael yesterday continued its own discussions of the matter and heard two senior representatives of the airline. The representatives told the committee the closure would cost El Al about \$40 million each year and requires the firing of some 300 workers.

ILICIT JEEPS

(Continued from Page One)

Eli Shohar, the Israeli driver seized by terrorists in West Beirut on Saturday when he inadvertently crossed the lines dividing the city, told *The Jerusalem Post* that the terrorists who seized him wanted to kill him. "I was saved by their officer, who posted a bodyguard to protect me," Shohar said.

Shohar, who works for the Government Press Office, had been driving a French reporter, Helene Lind, and a Canadian reporter, Andrew MacKay Johnson. The journalists, who were held for six hours, said their captors had not threatened their lives, but had told them that the other terrorist groups

in Beirut wished to kill them. The PLO's official newspaper, *Falastin al-Thawra* (Palestinian Revolution) folded yesterday. The paper's entire staff was among the Tunisia-bound expellees.

The 800-man Ein Jaloud brigade of the Palestine Liberation Army, which was originally based in Egypt, was on board the Sol Phryne along with the staff of PLO chief Yasser Arafat.

Also bound for Tunisia were several officers of the PLO's internal security apparatus known as the "17" and about 200 terrorists of the radical Popular Front for the Liberation of Palestine-General Command, PLO sources said.

Hayek club tries to drop its Likud image

Hayek, whose grand opening was widely publicized because of the large number of Likud activists invited, has reportedly not been successful as a Likud cultural centre. Its owners decided that a serious change is necessary.

Performers Dori Ben-Ze'ev, Astar Shamir, Miki Gavrielov, Meir Ariel and Ya'akov Rotblit are expected to appear in the club, Yurman said.

But, owners Jackie Payis and David Bar confirmed yesterday that Likud activists Knesset Member Micha Reisner and Miki Albin — who founded Bimat Hayek, a talk show held on Friday nights at the Tel Aviv Hilton Hotel — support the club. Asked how they support it, Bar said they have promised to provide funds for producing special

performances at the club. "The ruling party is interested in promoting culture, and that is why they're prepared to invest money here," Payis said.

He added that the club would also accept money from the Alignment "or anyone else who wants to invest here." Payis said that Nissim Gaon has promised to invest \$1.5 million in Hayek, which will go towards renovations and building a cafe on the second floor.

Arik Sinai was one of the managers of the popular beachfront night club Ha'asam, which closed down last year. Hayek evidently hopes to take Ha'asam's place among the young crowd in Tel Aviv. It has opened a restaurant and is offering lunch and large reductions for artists.



Foreign Minister Yitzhak Shamir receives members of the delegation on behalf of the Jewish Community Council of New York in Jerusalem yesterday. Shamir shakes hands with Bishop Joseph Sullivan, while delegation members Malcolm Hoenlein and Rev. Carl Flemlister, centre, look on.

Arkia flights to resume tomorrow

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — Arkia is due to resume operations tomorrow, following an agreement with the pilots. The 3½-week management-initiated lockout will end as a result of the mediation of the head of the Histadrut's trade-union section, Yisrael Kessar.

The pilots, who had imposed sanctions to protest against management's plans to fire 21 of them, have written a letter saying they are prepared to return to work unconditionally, and the management has agreed to end the lockout.

Arkia president Ariel Achmon said yesterday that Arkia still intends to dismiss 21 pilots and transfer eight others to ground jobs.

But pilots works committee spokesman Dan Chamitzer told *The Jerusalem Post* that the pilots intend to ask the courts to compel Arkia to uphold the work agreement.

Chamitzer said that the pilots had been willing to return to work all through the lockout, and had written a letter to this effect at Kessar's suggestion already last week. Arkia's management, however, he said, had refused to end the lockout until Kessar threatened to go to court.

Chamitzer said that management wished to cancel the work agreement and make personal agreements with each pilot separately. The pilots, supported by the Histadrut, had rejected this, he noted.

LEWIS LETTER

(Continued from Page One)

permitted to do so. *The Post* was told that no more vehicles or RPG weapons would be put aboard the boats of departing terrorists.

An Israeli official told *The Post* that terrorists' dependents could leave with the PLO men provided they were not disguised as PLO men and provided that they were not counted in the total.

Wolf Blitzer adds: U.S. Defence Secretary Casper Weinberger yesterday blamed the mini-crisis on Israel. In a television

interview in Washington, he said that Israel had had no right to remain in the Beirut port — an area, he said, which the French peacekeepers and the Lebanese Army forces themselves were supposed to control.

Secondly, Weinberger said, such "minor incidents" should be resolved only after the ships leave port.

Weinberger insisted that only 20 jeep-type vehicles were aboard the ship. He denied there were any RPG launchers.

ZOA leaders come to show U.S. Jews' support

There is reason for Israel to be concerned over the declared intention of the U.S. to put top priority on finding a comprehensive solution to the Palestinian problem, Ivan Novick, president of the Zionist Organization of America, said on arrival here yesterday.

Novick is leading a delegation of 19 of his movement's leaders. They are to meet this morning with

Foreign Minister Yitzhak Shamir and will deliver a declaration of their support of Israel to U.S. Ambassador Samuel Lewis.

The U.S. has an important role to assure that the results of the war in Lebanon are not wasted and to prevent the PLO from turning its military defeat into a political victory, Novick said. The delegation will be here till Wednesday. (Itim)

Air Force men sentenced for bribery

TEL AVIV (Itim). — An Israel Air Force corporal was sentenced by military court yesterday to four months in prison and four months suspended for offering a bribe to get out of two shifts of guard duty.

The soldier, who said he had been "fed up" by all the guard duty he was getting and needed a day or two vacation, offered his commander IS250 to cancel the two shifts.

In another case, an Air Force base driver was sentenced to three months' imprisonment and six months suspended for smoking and possessing hashish. He pleaded that he had been using the drug as a substitute for the tranquilizers that his doctor had prescribed.

Canada's is first embassy in Riyadh

RIYADH (AP). — The foundation stone for Canada's new \$20 million embassy here was laid yesterday.

The official Saudi press agency said the embassy will be the first to move into the diplomatic area at this Saudi capital city, where all missions will be relocated from the port city of Jeddah over the next few years.

World's oldest king dies in Swaziland

JOHANNESBURG (AP). — King Sobhuza of Swaziland, the world's oldest monarch, died yesterday, according to South African television.

Sobhuza was 83 and had more than 100 wives.

CAMP DAVID

(Continued from Page One)

had seized in the final stages of the War of Independence.

Truman, Begin noted, threatened Israel with a reappraisal of the two countries' relations, and warned that the U.S. would not support Israel's candidacy for membership of the United Nations.

Begin noted that Weizmann replied, rejecting American pressure, and reminding Truman that the U.S. had kept silent on Egypt's invasion of the new state of Israel. Moreover, Weizmann wrote, the U.S. had sponsored Egypt as a member of the Security Council.

Begin commented: "Weizmann was a most moderate statesman. But policies of moderation and submissiveness have not contributed to better relations with the United States. On the contrary, perhaps."

According to one cabinet source, Begin's aim in quoting the Weizmann-Truman episode was also to prove to ministers worried about possible erosion in Israel-U.S. relations that it always paid Israel to talk tough to the U.S. when the latter tried to apply pressure and uttered threats.

Yet another signal towards cabinet moderates was the first part of Begin's statement. This said that "upon the conclusion of the evacuation of the terrorists, their organizations, their headquarters and their members from Beirut and Lebanon, the cabinet will review Operation Peace for Galilee, its causes, development, and security and political aspects."

He also said that the government would make a statement on the operation in the Knesset and a debate would be held.

The cabinet moderates whom Begin was trying to placate, and who have constituted a brake on Defence Minister Ariel Sharon at many cabinet sessions since June 6, have long been asking for their views on the conduct of the war.

The cabinet held no discussions on Lebanon yesterday, but Sharon and Foreign Minister Yitzhak Shamir presented reports on various aspects.

Later, cabinet secretary Dan Meridor told reporters that the government had repeatedly called for an end to cease-fire violations and had shown great self-restraint in the face of repeated incidents on the central and eastern sectors. He said: "Israel is doing all in its power to facilitate the smooth process of evacuation from Beirut."

A cabinet source told *The Post* that Israel's self-restraint on the central and eastern sectors could not continue indefinitely as IDF capabilities diminished there. The source said that the PLO and the Syrians must not delude themselves into thinking that Israel's desire not to upset the smooth flow of the evacuation from Beirut would make them immune to counter-measures.

Mozambique army wipes out rebel base, kills 8

JOHANNESBURG (UPI). — The Mozambique army has destroyed a base of South African-backed anti-government rebels, killing eight of them and capturing three others, Radio Mozambique said yesterday.

The government troops attacked the Mozambique National Resistance (MNR) base at Chitiquete in central Sofala province last Monday and captured mortar and bazooka shells, anti-tank and anti-personnel mines and two boxes of ammunition, the radio said in a broadcast from Beira monitored in Johannesburg.

Meanwhile, the people's militia reported from Dondo district, 30 kilometres west of Beira, that they had arrested two MNR members spying on the Mafambisse sugar plant and other economic targets, the radio said.

The MNR has fought the Marxist government of President Samora Machel for six years.

THE SOCIETY FOR THE ADVANCEMENT OF EDUCATION IN ISRAEL

joins Sol Steinberg in mourning the passing of his devoted wife

BETTY STEINBERG

— A Woman of Valour —

May her name be eternally blessed

Eliezer Shmueli
Chairman

Alumni and Friends of the Yeshivah of Flatbush

are advised that a monument to the memory of

ABRAHAM CARMEL

will be unveiled on Wednesday, August 24, 1982 — 6 Eul 5742, at 2.45 p.m., at the Eretz Hachaim cemetery, Har Tuv junction.

A special bus will leave at 2.00 p.m. from Binyanei Ha'uma, Jerusalem.

HEBREW UNION COLLEGE-JEWISH INSTITUTE OF RELIGION

mourns the passing of

Cantor

AVRAHAM ALKAI-EHRENFELD

Colleague and Friend

Michael L. Klein
Dean, Jerusalem School

Alfred Gottschalk
President

The Government of Israel
mourns the passing of

Dr. ARYEH ALTMAN

one of the founders of the State of Israel
and conveys its condolences to the bereaved family

550 מן האל

Funerals for IDF fallen in two Lebanese wars

Jerusalem Post Staff
Nine Israeli soldiers who were killed fighting in Lebanon four years apart, but who remained listed as missing in action, were finally brought home for burial after their bodies were returned Friday by the PLO.

Four of the soldiers were killed in April 1978 during the Litani Operation, when they strayed across enemy lines while on an excursion and were attacked by terrorists.

Three of them are to be buried today: Rav-Samir Rishon (Sergeant-Major) David Dror, 29, at Nahariya at noon; Turai (Private) Ya'acov Ben-Oz, 35, at Haifa at 2:15 p.m.; and Turai Nissim Zamir, 33, at Nahariya at 5 p.m. Turai Albert Ben-Ezra, 32, is to be buried tomorrow in Haifa at 4:45 p.m.

The other soldiers whose bodies were returned were killed during Operation Peace for Galilee.

Seren (Captain) Yosef Keller, 31, was killed when the medical evacuation helicopter he piloted was shot down by a ground-to-air missile in June. He was married and the father of two. Keller was buried yesterday in the military section of the Tel Hai cemetery, near his home, Kibbutz Kfar Giladi.

Seren Amihai Spector, 26, will be buried today at 4 p.m. in Nir Zvi Samal (Sergeant) Shmuel Sultan, 21, will be buried on Tuesday at 3 p.m. in Ashkelon. Turai Zvi Rosenberg, 17, of Gadera, will be buried in Haifa at 3:30 p.m. Samal Yigal Leizer, 20, will be buried today in Beersheba at 4 p.m.

Turai Amos Bardo, 19, who was fatally wounded on Saturday in an exchange of fire with terrorists east of Zahlata in the eastern sector, will also be buried today in the military section of the Kiryat Shaul cemetery at 3:15 p.m.



This pottery lamp in the shape of a satyr's head is one of the many finds unearthed during this summer's Hebrew University dig at Tel Dor.

Tel Dor dig ends with new finds

A pottery lamp in the shape of a satyr's head, perfume bottles with their manufacturer's seal and a cache of clay figurines made in archaic Greek style are among the many finds unearthed in the recently concluded third season of the Hebrew University's excavations at Tel Dor on the northern coast.

Under the direction of Prof. Ephraim Stern, the six-week dig exposed additional areas of the Persian-Hellenistic city's wall and its towers, as well as a residential quarter.

In another area of the dig several layers from the Bronze Age were uncovered. The upper layer dates from the period of the Assyrian conquest (c.700 BCE), when Dor was the capital of a province. Beneath that, several layers from the period of the Israelite monarchy were discovered.

The dig was carried out under the auspices of the university's Institute of Archaeology and the Israel Exploration Society, in cooperation with New York University, Boston University and California State University at Sacramento.

Plastic bags from Lebanon to stay on beaches

HAIFA. — Hopes of government aid to do something about the masses of plastic bags floating into Israel's northern beaches from Lebanon have been dashed.

Uri Marinov, director of the Interior Ministry's Environmental Protection Services, said yesterday that no money was available for combating the invasion. But there would be a major cleaning operation of all Israel's beaches for next season, he promised, after touring the area last week.

Haifa's deputy Mayor Yosef Blaustein promised the city would do what it could to clear rubbish, including the plastic bags, from unsupervised beaches, where people are permitted to bathe at their own risk. The supervised beaches are cleaned regularly, he said.

Eilat port back to life after a week of no work

EILAT (Itim). — Work on the Eilat docks was renewed yesterday with the arrival of the first ship after a week of inactivity. The vessel, the Israeli container ship Vered, arrived from South Africa, with 300 containers on deck. It is scheduled to sail to South Africa tomorrow night with 200 containers, and four more ships are expected to arrive in Eilat this week.

SINGLES. — Sixty American-Jewish singles over the age of 40 arrived yesterday for the American Jewish Congress' first "over-40" convention. The two-week gathering follows the fifth AJC singles' convention for American Jews aged 21 to 39.

Berman: Alter coalition pact to let El Al fly on Shabbat

By SARAH HONIG
Post Political Reporter

TEL AVIV. — Energy Minister Yitzhak Berman intends to propose that the Liberal Party seek revision of the coalition agreement to eliminate the El Al Sabbath closure clause. Berman says that if the party's demands are not met, it might bolt the coalition.

Berman made his suggestion yesterday after voting with the majority of the cabinet in favour of grounding El Al on the Shabbat and other Jewish holy days. Berman says that until the coalition agreement is amended, Liberals have no

moral right to renege on an agreement to which they are among the chief signatories.

Berman's proposal and the comments accompanying it are considered by Liberal pundits to be veiled criticism and even rebellion against the party's leader, Deputy Prime Minister Simha Ehrlich, who yesterday voted against the El Al Sabbath closure. Ehrlich, however, was one of the Liberals' negotiators and signers of the coalition agreement.

Berman asserted that the "basic problem lies with the way the coalition agreement was negotiated last year and the reason why the

Liberals signed it then. There can be recriminations about that in the party, but the question is how to correct things."

Berman plans to table his proposals formally before the party within 10 days. He will propose abrogating the undertaking to Agudat Yisrael about El Al, and adding a number of demands dealing mainly with the interests of the middle class, such as tax breaks for self-employed small entrepreneurs.

There may be demands in other spheres as well, Berman said, noting that of 82 clauses in the coalition agreement, 63 deal with demands of

the religious parties, while only four Liberal demands are included — and these are phrased vaguely.

He says he believed that if the Liberal Party demands are not met, a minority will be found willing to bolt the coalition. However, party insiders say it is unlikely the Liberal Party would ever seek to amend the coalition agreement.

They say the general feeling is that only Berman and Knesset Member Dror Zeigerman might be willing to leave the coalition. The loss of two MKs would not endanger the government, however, and thus it is not thought likely that they would leave.

Aloni asks probe of Porush handouts

By CHARLES HOFFMAN
Jerusalem Post Reporter

Alignment-Citizens Rights Movement Knesset Member Shulamit Aloni yesterday asked the attorney-general and the state comptroller to look into a second incident of an alleged use of public funds by Agudat Yisrael MK Menahem Porush "for partisan purposes and for bribing voters."

The latest incident deals with the distribution of special grants to needy families for their Pessah expenses (*Kincha D'Pessah*), from funds provided by the Labour and Social Affairs Ministry. The ministry spokesman confirmed that Porush, who serves as chairman of the Knesset Labour and Social Affairs Committee, was permitted to send grants personally to families he had recommended to the ministry as needy cases.

The spokesman said that for many years the ministry has provided needy families with Pessah grants based on recommendations it receives from public figures, "including journalists." The grants — which last year ranged from IS200 to IS500 per family and went to about 1,000 families — are approved after being examined by a special ministry committee.

The spokesman said that Porush was allowed to send the grants personally because the ministry "did not have time to get them out before the holiday." This was an "exceptional case," he said, Porush could not be reached for comment last night.

Alignment-Labour MK Shoshana Arbeli-Almosino, who was chairwoman of the Labour and Social Affairs Committee from 1969 to 1977, yesterday sharply criticized Porush's action as a "violation of public ethics."

She said that while she headed the committee, she had rejected offers by the then welfare minister, the late Michael Hazani, to permit her to distribute funds to the needy, which were provided by the ministry that her committee was supposed to supervise.

She called on the minister of labour and social affairs to cease such practices immediately.

Aloni's previous complaint to the authorities involved allegations that the Yad Ihud food market owned by Porush, which receives subsidized goods from the ministry to be sold to the needy, sold them instead to a hotel owned by Porush.

The attorney-general ruled recently that there were no grounds for the police to investigate this allegation, but recommended that the state comptroller look into the matter. Aloni has now asked the comptroller and the Knesset State Control Committee to examine both sets of allegations.

"What was forbidden for (ex-MK) Shmuel Flatto-Sharon to do with his own money," said Aloni, "should also be forbidden for Porush to do with public funds." (Flatto-Sharon was convicted last year of bribing voters in the 1977 election campaign, and is now waiting for an appeal of his case to be heard by the Supreme Court.)

Parents can phone on school problems

Jerusalem Post Reporter

The Education and Culture Ministry will open a "hot line" today on which parents can talk directly with senior ministry officials about problems connected with the opening of the school year.

The first official to open a direct line is the ministry's legal adviser, Arye Brick, who can be reached between 3 and 6 p.m. today at 02-278240 or 02-278234. He will deal with questions concerning pupil registration, transfers, and the legal rights and duties of parents and pupils.

The line will remain open until the opening of the school year next Wednesday. Other officials to be available for questions include Gideon Ben-Dror, deputy director-general for development (tomorrow); Yehoshua Yadin, deputy director-general for registration and school fees (Wednesday); and director-general Eliezer Shmueli (next Monday).

The exact times and phone numbers for these consultations will be published in all daily newspapers.

IS300m. worth of hash found off Lebanon

Jerusalem Post Reporter

The crew of an Israeli Navy vessel yesterday landed a 1.5-ton haul of hashish off the Lebanese coast.

The hashish was in several inner tubes that the crew found floating in the Mediterranean Sea near Damour. It was taken to Haifa police headquarters and destroyed.

The street value of such a quantity is approximately IS300 million. More than eight kilograms of hashish, worth about IS650,000, were found on Saturday night in the

possession of a Rafah resident in the Gaza District. The man, a member of a gang, was caught after a long police search. The other members of the gang escaped, but the police expressed optimism that they would soon be caught.

PRIZES. — Twenty students who excelled in the recent "Respectors of Property" project in Ashkelon yesterday received their prizes. About 100 students participated in the project.

Stolen ritual objects found in Kalkilya

KALKILYA (Itim). — A huge quantity of stolen Jewish religious objects, valued at IS4 million, has been found in a house in Kalkilya, Tulikarm police reported.

The objects, which included hundreds of mezuzot, candelabra, teffilin cases and prayer shawls, were reported stolen from Moshe Tauber of Bnei Brak.

Police were tipped off about the haul by a worker from Khan Yunis, who informed them that there had been a break-in into his rented apartment. The Khan Yunis man has not been arrested, although an investigation has been opened.

First-aid courses

SAFAD (Itim). — Courses in advanced first aid for Druse women teachers were held for the first time last week by the Ministry of Education and Culture in the northern region. The courses, held in Yirka village and in Acre, were reported to be answering the needs of the Druse community. Some 30 teachers attended the courses and received accreditation.

Jellyfish invade the beaches

By MICHAEL UDELMAN
Jerusalem Post Reporter

TEL AVIV. — About 100 bathers were stung by jellyfish at the Bat Yam and Tel Aviv beaches on Saturday, and another 20 odd complained of being stung yesterday, as thousands of jellyfish invaded the coastal strip from Bat Yam to Tel Aviv during the weekend.

"Jellyfish are not harmful and do not attack swimmers," lifeguard Yitzhak Bilater said yesterday. "When they are frightened, they sting and discharge a liquid that burns. Washed with cold water, the burn passes after a while," he said. He advised against going near a jellyfish, if possible, but not to panic, either, if stung.

Bilater said that every year at about this time, which is when the jellyfish breed, large numbers of them are swept close to the shore by currents.

Magen David Adom spokesman Moshe Dayan said that 71 persons came to the first-aid station on Bat Yam's beach on Saturday, complaining of jellyfish stings. He said dozens came for help on Tel Aviv's beaches, but only 27 were sent to hospital for treatment.

Yesterday, there were 14 cases of jellyfish stings at Bat Yam's beach and a few others in Tel Aviv, Dayan said. They were referred to hospitals or the sick-fund clinics for treatment.

Olim groups may help Foreign Ministry

Jerusalem Post Reporter

TEL AVIV. — The Foreign Ministry is considering integrating olim associations in its overseas information effort. Dr. Elyakim Vega, chairman of the Dutch Olim Association, DOA, told *The Jerusalem Post* yesterday.

Vega said that more than 2½ years ago, the DOA called MEDA, which tries to reach Dutch visitors, especially officials and journalists, with information about Israel. It also monitors the Dutch media, writing letters to the editors to correct misinformation.

Those wishing to help or to get further information are asked to contact MEDA, P.O.B. 618, 52105 Ramat Gan.

Court denies autopsy for infant

TEL AVIV (Itim). — The Tel Aviv District Court has reversed a decision to allow an autopsy on a six-week-old boy who died of unknown causes.

The parents of Shalom Plashitav had appealed on religious grounds an earlier decision by the Tel Aviv Magistrates Court to grant a police request for the autopsy. When the infant died on August 17 after a short illness, police asked for an autopsy to determine the cause of death. They contended that only thus could evidence of negligence or neglect be affirmed, and that any hereditary problem could also be

brought to light, as the parents are cousins.

In accepting the appeal of the parents against the autopsy, Tel Aviv District Judge Shaul Alony ruled that according to the Anatomy and Pathology Law, an autopsy is permitted if there are grounds to suspect that "death was caused by a criminal offence, negligence or neglect." This, he held, was not the case with the Plashitav infant.

The judge did, however, order an external examination of the body for signs of violence before it was buried.

Inheritance-law amendment planned

By ISRAEL AMRANI
Jerusalem Post Reporter

Justice Minister Moshe Nissim yesterday asked a team from his office to prepare an amendment to the Inheritance Law of 1965 that would simplify inheritance litigation, ministry spokesman Yitzhak Feinberg said yesterday.

The request followed a recent Supreme Court decision that nephews and nieces are not automatic heirs. In the decision, the president of the court, Justice Yitzhak Kahan, recommended that a certain clause be rewritten to simplify its meaning and avoid unnecessary litigation.

The court upheld an appeal by Justice Ministry administrator-general Amram Blum against a Tel

Aviv District Court decision that a widow had to share her husband's estate with his deceased brother's children.

Blum ruled, after the widow appealed to his office, that nephews and nieces were not automatic heirs, but other legal authorities maintained otherwise. The difficulty, it turned out, was due to the ambiguity of the laws text, which also resulted in inconsistent court rulings.

SURPRISE. — King Fahd of Saudi Arabia met yesterday with North Yemen Prime Minister Abdul-Karim al-Iryani, who arrived unexpectedly in the kingdom three days after Saudi Oil Minister Ahmed Zaki Yamani paid a surprise visit to North Yemen.

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Israel Lands Administration
Jerusalem District

Offer for Allocation of Land for Construction of Apartment House in the Gerdim Quarter, Jerusalem

Tender No. JM/82/50

The Israel Lands Administration invites bids for a development contract for the area outlined herein:

Block	Parcel	Approx. area (sq.m.)	Total Building %	No. of floors	Minimum required price (IS)	Deposit (IS)
30011	35	718	70	2	4,164,500	200,000

Details, sample contracts, bids forms and additional tender information is available at our Jerusalem district office, 34 Rehov Ben-Yehuda, Tel. 02-224121, 13th floor, between 9 a.m. and 12 noon on regular working days. Bids should be posted in the tenders mailbox in the Administration office at the above address, by 12 noon on October 7, 1982. All bids not in the tenders mailbox by the above time will not be considered. The Israel Lands Administration does not undertake to accept any bid.

Israel Lands Administration
Jerusalem District

Arin Urban Development Co. Ltd.

Offer for Lease of Plot for Construction of 120 Housing Units in Ramot 02 — Jerusalem

Tender No. JM/82/51

The Israel Lands Administration, in cooperation with the Arin Company, offer a plot for the construction of 120 housing units, details of which at the time of publication of the tender are as follows:

Municipal bldg. plan no.	Plot no.	Approx. area (sq.m.)	No. of housing units for construction	Gross leasable area (sq.m.)	Minimum required price (IS)	Development outlay (IS)*	Deposit (IS)
2850	A	23,350	120	16,375	30,189,200	40,597,711	1,000,000

* Valid for residential building input index of July, 1982, and will be paid separately to the individual towns. Tender document file is available at the district office, Israel Lands Administration, 34 Rehov Ben-Yehuda, 12th floor, Tel. 02-224121, between 9.30 a.m. and 12 noon on regular working days, and at the Arin office, 189 Rehov Yehuda, Jerusalem, during regular working days and hours. Display material and explanations at the Arin office at the above address. Questions for submitting tender bids is 12 noon on October 7, 1982. Bids not in the tender mailbox by the above time for any reason whatsoever, will not be considered. The Israel Lands Administration and/or the Arin Company do not undertake to accept the highest or any other bid.

THE INSIDE TRACK

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Mugabe says S. Africa is planning invasion

HARARE, Zimbabwe. — Prime Minister Robert Mugabe yesterday accused South Africa of planning to invade his country. His charge followed the deaths of three Whites, alleged by Mugabe to be South African soldiers, in a clash with Zimbabwe troops.

But in Pretoria, South African Defence Force chief General Constant Viljoen denied that any operations had been authorized inside neighbouring Zimbabwe. Viljoen announced that an immediate investigation had been ordered by the government.

Mugabe said in Harare yesterday

that the three South Africans were part of a group that had set up a base inside Zimbabwe and that the rest of the group had fled after the clash last Wednesday at Sengwe, near the border with Mozambique. He said the incident showed "a development in South Africa's programme of destabilization... aimed at Zimbabwe."

Last Thursday the Zimbabwe government said troops had been sent to the borders with Mozambique and South Africa to drive back Mozambique rebels trying to cross into Zimbabwe to look for food.

Mugabe, who has often alleged

that White-ruled South Africa plans to attack his country, said the men had not been identified but that he was convinced they were members of the South African security forces. He added that papers and equipment found on the bodies showed they were preparing to undertake sabotage in Zimbabwe.

The Zimbabwe government yesterday showed newsprint images of the bodies of the three White soldiers. Two of them are recognizably White but one has a dark complexion.

One of the soldiers was dressed in a military uniform similar to that of

the former Rhodesian army. The clothing worn by the other two has not yet been identified. One of the corpses had SAS, the initials of the Special Air Services Unit of the former Rhodesian army, tattooed on his arm.

In his statement, General Viljoen said: "South Africa's stated policy is to act only against terrorist organizations that threaten the lives of innocent civilians and peace and order in our country." He called on the Zimbabwean government to "communicate openly all their information on a government-to-government level."

Libya quits Islamic meeting

NIAMEY (Reuters). — Libya has walked out of an Islamic ministerial conference that started in Niger yesterday after alleging that its delegation was ill-treated when it arrived.

The leader of the Libyan team, Miftah Zawab, complained that they were held up for five hours and subjected to personal searches when they reached Niamey Airport on Friday.

The conference — the annual meeting of foreign ministers of the Islamic Conference Organisation (ICO) — is discussing the situation in Lebanon, Afghanistan and the Persian Gulf.

Zawab said his delegation's treatment by airport officials was "part of a plot by Saudi Arabia and the U.S. to suppress the voice of Libya at the conference."

Israel's invasion of Lebanon will be the main issue at the meeting, although the PLO and Syria have sent only low-level delegations.

ICO Secretary-General Habib Chatti said Afghan rebel leaders told him on Saturday that the various guerrilla groups, fighting Soviet troops who support the pro-Moscow government of President Babrak Karmal, will join forces soon.

Soviet woman sets new space record

MOSCOW (UPI). — Cosmonaut Svetlana Savitskaya, the new darling of the Soviet press, broke a space endurance record yesterday and began a programme of research work with her four Russian comrades aboard the Salyut 7 space station.

Savitskaya, 34, a pilot and parachutist, surpassed the 70-hour, 40-minute spaceflight, made in 1963 by Valentina Tereshkova, at 16:02 GMT, less than halfway through her scheduled one-week mission.

Soviet reporters said Savitskaya was a big hit with the other cosmonauts — Leonid Popov, Alexander Serebrov, Anatoly Berezhovoy and Valentin Lebedev.

The latter two cosmonauts, who have been in orbit since May 13, presented her with an apron and

joked that she would have to take over housekeeping duties. "We made you a little apron. Wouldn't you like to take up the role of lady of the house?" Berezhovoy was quoted as saying. "If you insist I'll try it on," Savitskaya replied, "but let's specify the work rules first."

Soviet space reporters, who normally fill their accounts of cosmonauts' exploits with dull recitations of series of scientific experiments, vied with each other to convey the impact of a woman's presence in orbit.

One reporter wrote approvingly of Savitskaya's appearance: "The hatch opens and there — in a green, tight-fitting sportsuit accentuating her figure — is Svetlana. Her hair is combed prettily."

Indian police beat, arrest journalists

NEW DELHI (UPI). — Club-wielding police broke up a march by journalists, injuring several and briefly detaining 180 newspapermen in Patna, capital of the eastern state of Bihar, the Press Trust of India reported yesterday.

The police denied they beat up the journalists with lathis (long bamboo poles) and said that about seven journalists and as many policemen were injured in a scuffle.

Police arrested 180 journalists but released them after a few hours, the Press Trust reported.

The clash occurred Saturday evening when nearly 250 journalists from all over Bihar state marched to the state governor's house to deliver a memorandum against an official bill aimed at curbing "scurrilous writings."

Contradicting the police version of the incident, all major Indian newspapers and wire services reported a "brutal" lathi charge by police on a silent procession of journalists at a crossroads near the governor's house.

No U.S. mercenaries were in Falklands

LONDON (AP). — The Defence Ministry yesterday rejected a newspaper report that U.S. mercenaries may have fought with Argentina against the British in the Falklands conflict. A spokesman said the alleged mercenaries were more likely Anglo-Argentines with American accents.

"It just doesn't stand up. We have no knowledge of any mercenaries reported," a ministry spokesman said.

The Observer newspaper quoted a British serviceman, Private Jeffrey Logan, 20, as saying he and other members of his 3rd Paratroop Company were "convinced" that two captured snipers who spoke with "unmistakable American accents" were U.S. mercenaries.

The ministry spokesman said the more likely explanation was that the troops were U.S.-trained Anglo-Argentines serving in a crack Argentine unit named Specialist 601.

"There were people like that among prisoners taken. They had American accents and because they were a crack regiment, they were equipped differently," said the spokesman.

Earlier, The Observer quoted Logan, said to be recovering from wounds in hospital here, as saying in an interview that the two snipers were captured during a 10-hour battle for Mount Longdon, eight kilometres from the Falklands capital, Port Stanley.

Logan was quoted as saying the pair wore Argentine combat uniforms, but apparently carried different weapons including U.S.-made telescopic sights.

Kenya planning to destroy baboon pests

NAIROBI (UPI). — The Ministry of Wildlife is considering a plan to eliminate crop-destroying baboons by feeding them to man-eating crocodiles, the Sunday Nation newspaper said.

Under the plan, baboons who destroy tens of thousands of dollars of crops every year along the country's coastal region would be captured and fed to crocodiles in the Tana River.

The paper, quoting Minister of Wildlife Elijah Mwangale, said several thousand baboons would be killed systematically to enable people in the area "to live in peace and grow enough crops."

By feeding the baboons to the crocodiles, the minister said, people along the Tana River would be safer because the sated crocodiles would then be less inclined to attack humans.

Soviets modernizing Cuba's weapon system

WASHINGTON (UPI). — The Soviet Union is providing Cuba with a major weapons system under a five-year defence modernization programme that threatens American interests in the Western Hemisphere, the State Department said on Saturday.

The additional equipment and military manpower give Cuba "the most formidable and largest military force in the Caribbean basin with the exception of the United States,"

the department said in a report. The document said Soviet merchant ships have delivered 66,000 tons of military equipment since January, 1981, compared to a 15,000-ton annual average over the last 10 years.

NIXON. — Former U.S. president Richard Nixon and former secretary of state Henry Kissinger are to pay separate visits to China next month.

Antarctic search begun for British scientists

SANTIAGO (AP). — Chile's air force has begun looking for three British scientists missing since August 15 in the Antarctic.

The air force said a C-130 transport from Santiago spent 90 minutes Friday over the area where the scientists were last reported, and that two Twin-Otter planes and a helicopter were to join the search on Saturday.

The scientists were identified as Kevin Ockleton, Ambrose Morgan and John Cole.

They had been on Petermann Island since July 16, unable to move

because of a series of storms. Officials said they were believed to have enough provisions to last until October.

The trio was working from the British Faraday base on the mainland about 10 kilometres away. But on August 13, they reported the weather had cleared and that they planned to try to cross the ice sea to the Yalour Islands, some 4.8km. from Faraday.

They failed to keep a radio schedule with Faraday on August 15.

Somali rebels report killing 28 soldiers

NAIROBI (UPI). — Anti-Somali rebels said yesterday they have killed 28 government soldiers and captured a dozen more in recent fighting near the provincial capital of Galedio and the Ogaden border village of Balanballe.

Radio Kulmis, the voice of the anti-Somali Democratic Somali Salvation Front rebels, broadcasting from Ethiopia, said the

battles took place Friday and Saturday and resulted in heavy losses for the Somalis. The rebels said they suffered only wounded in the fighting.

The Somali government said in a communique yesterday that Ethiopian troops launched an attack against Balanballe but were driven back "with enormous losses" after two days of fighting.

Afghan rebels kill 30 troops in jail attack

ISLAMABAD, Pakistan (UPI). — Guerrillas stormed a jail in Afghanistan's second largest city this month, killing 30 Soviet and Afghan government troops and destroying four tanks, Radio Pakistan said yesterday.

The radio said the guerrillas used

rocket launchers and Kalashnikov assault rifles in their pre-dawn raid, on August 8 in Kandahar, 400 kilometres southwest of the capital, Kabul.

After gunning down 30 soldiers at the jail, the rebels looted the prison armory.

Blast signals widening of terror war in France

PARIS (Reuters). — France's newly appointed anti-terrorist chiefs are facing their first real test after a bomb blast Saturday, indicated the possible resurgence of anti-American attacks in the French capital.

Police believe that the bomb, which killed one bomb-disposal expert and maimed another, may have been aimed at the commercial

counsellor at the U.S. Embassy. The bomb exploded outside the diplomat's home and near the apartments of other American families.

One theory is that the device was attached to the car of the counsellor, Roderick Grant, and may have been dislodged as he drove away shortly before the explosion. Police alertness had already been tightened last week, mainly in response to a wave of anti-Jewish assaults which came to a head in the killing of six persons at a Jewish restaurant earlier this month.

Last week, anti-terrorist organizations were grouped under a specially appointed chief, Commander Christian Prouteau, head of a crack gendarmerie force. At the same time, President Francois Mitterrand appointed the former minister for the aged, Joseph Franceschi, to the new post of Secretary of State for Public Security.

Other measures introduced by the president included the establishment of a centralized anti-terrorist data bank, tighter frontier controls, a ban on the sale of certain weapons and heavy reinforcement of services dealing with public security. France has often been criticized

for alleged laxity in its anti-terrorist measures, mainly because of its policy of affording asylum to political activists.

When he announced the new measures last Tuesday, Mitterrand also suggested the creation of a European court for trying violent political crimes. The French government would try to stop the abuse of diplomatic privileges, such as the use of diplomatic bags for carrying arms, he added.

Last Wednesday, the left-wing extremist group Action Directe was outlawed. The group's leader, Jean Marc Rouillan, has admitted that

the group was behind a series of recent attacks against Jewish interests in France, but denied that Action Directe was behind the killings at the Jewish restaurant on August 9.

Police are reluctant to give information about the progress of their investigations into Saturday's attack. But a spokesman said they were taking seriously a call in the name of the Lebanese Armed Revolutionary Front that claimed responsibility. The same group claimed responsibility for the killing of U.S. military attaché Charles Ray in Paris last month.

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The Movers

U.S. Senses a Mideast Role, If Not a Plan

By BERNARD GWERTZMAN

WHEN President Reagan announced that agreement had been reached to end the west Beirut crisis, he seemed more relieved than exultant. "At times it was difficult to imagine how agreement could be reached and yet it has been reached," he said, praising Ambassador Philip C. Habib's "spirit and determination." But the west Beirut accord, which ended the Israeli siege and saved the P.L.O. and Syrian forces from annihilation, was only an initial step toward returning Lebanon to the Lebanese. And as the President said, it was achieved only in "the most arduous circumstances."

The next steps may well be even more difficult and loaded with diplomatic traps for the Administration. First there is the task of negotiating a formula for clearing Israeli, Syrian and the remaining Palestine Liberation Organization forces from Lebanon. Second, Mr. Reagan has publicly committed the United States to "move quickly" toward what many regard as an impossible dream, to resolve the long-term Palestinian issue and, he said, "the other unresolved problems in the Arab-Israeli conflict."

But Secretary of State George P. Shultz made clear last week at his first press conference that the Administration has no blueprint for tackling either the withdrawal of foreign troops from Lebanon or the longer-range Palestinian issues. It has only a general belief that it should proceed within the framework outlined at Camp David in 1978. Nevertheless, Mr. Shultz seemed to think that the havoc and bloodshed caused in west Beirut over the last two months may now cause all parties to put more emphasis on peace.

Moreover, there seemed to be a consensus in the Administration, on Capitol Hill and among experts outside the Government that the United States had an obligation to go beyond Beirut and continue its peacemaking role and that events were more propitious now than at any time since the Egyptian-Israeli peace treaty that followed Camp David.

At least three developments seem to be providing the basis for the perception that there is a new opportunity.

• The Israelis, after the fighting in Lebanon, were in the strongest position in their history. Not only was Israel's security strengthened by driving the Palestinians from southern Lebanon, but its military might had demonstrated to the Arabs beyond doubt that Israel could be ruthless.



A Palestinian woman in west Beirut says goodbye to her son, among the first guerrillas evacuated yesterday.

This may have the effect of persuading the Syrians and P.L.O. not to linger in Lebanon. Furthermore, a strong Israel might also be persuaded to take risks in dealing with Lebanon and with Palestinian rights in the occupied West Bank and Gaza Strip.

• The military defeat of the P.L.O. and the Syrians in Lebanon has seriously weakened radical forces in the

Middle East. For the first time since 1975, it has opened the prospect for the beleaguered Lebanese to settle their own problems.

The Syrians, moreover, seem in no mood to risk all-out conflict with Israel and probably can be counted on to withdraw from Lebanon under a timetable linked to Israeli withdrawal, when asked to do so by the Lebanese.

P.L.O. Starts One-Way Trip Out of West Beirut

With its heavy superstructure of Israeli "ifs" and Palestinian "yeah buts," Ambassador Philip C. Habib's Beirut peace mechanism always looked rickety and accident-prone. But yesterday, with the last of many preconditions bolted in, the contraption rattled into gear. The first 400 guerrillas, waving Palestine Liberation Organization flags and pictures of Yasser Arafat, their leader, left their bunkers and boarded an American-chartered ferry for a transit stop in Cyprus. During the next two weeks, almost all the 15,000 Palestinians and Syrians who had been trapped in west Beirut are to go, with their light weapons, to eight Arab countries.

French paratroops, the first contingent of a 2,000-man international force, took up positions to guarantee a dignified departure and provide interim protection for Palestinian civilians and Lebanese Moslems who re-

main. President Reagan ordered in 800 Marines, who are to land at mid-week and join 800 French troops and 400 Italian commandos for 30 days of noncombatant duty.

Israel lifted the 10-week siege after the P.L.O. returned two captured Israelis, a pilot and a soldier, and the coffins of nine other servicemen. Its demand for names of departing Palestinians was dropped. Instead, a multinational committee will count heads, verifying the exit of Mr. Arafat's defeated irregulars — 7,100 Palestinian guerrillas, 1,000 non-Arabs, 1,300 P.L.O. officials and other noncombatants, 1,000 members of Egyptian and Jordanian-led military units and 5,200 Syrians and Syrian-led Palestinians.

Lebanese spokesmen have reported thousands of deaths, most of them civilians, since the June 6 invasion, which began as an Israeli sweep of Palestinian positions in southern

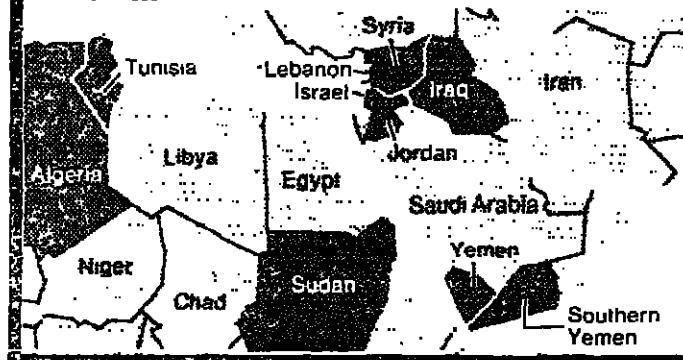
Lebanon and rolled north to encircle the capital. Israel has reported 318 dead in the fighting.

The Syrians will leave by the Beirut-Damascus road, but the Israelis expect them to drop off to join 30,000 Syrian forces already stationed in Lebanon's Bekaa Valley. "We will deal with them eventually, hopefully through diplomatic means," an Israeli official said.

Diplomacy may appear attractive to the P.L.O., too, after losing its Lebanese base. Mr. Arafat was reportedly moving to Tunis, the Arab League seat.

The Lebanese Army is to take charge in Beirut next month, no easy task in a country still reeling from the 1975-1976 civil war. Already last week, leftist Moslems fired on army units guarding the Parliament building where the Israeli-supported Christian Phalangist leader, Bashir Gemayel, hoped to be chosen to succeed President Elias Sarkis. The parliamentarians moved to Christian east Beirut and postponed voting to tomorrow.

Countries to receive Palestinian fighters from west Beirut



Whether the P.L.O., its fighting force scattered, will become more conciliatory toward Camp David or other peacemaking efforts is in doubt. The hope in Washington is that the Saudis, who have played an important behind-the-scenes role, might be encouraged to urge the P.L.O. and other Arabs to relax their opposition to the Camp David framework, which still offers the best hope of an independent Palestinian entity even if it falls short of a separate state.

Mr. Shultz said last week that the United States had emerged from the Beirut siege with its relations strained with Israel and damaged with the Arab world. But Mr. Habib's mediation left no doubt that only the United States could be counted on to act creatively in the Middle East and to provide the political force to arrange diplomatic solutions.

Nevertheless, to achieve progress in Lebanon or on longer-range issues, the Administration will need to spell out its goals more explicitly and to be willing to engage in a more concerted diplomatic campaign than it has done up to now.

As a start, the United States must repair the damage done to its ties with Saudi Arabia, Egypt and Jordan. These countries have been critical of Washington's refusal to take decisive steps against Israel. As Mr. Shultz indicated, however, the Administration believes that relations with the Arabs can be strengthened once the United States begins to actively pursue a long-term solution in the Middle East.

For the American initiatives to succeed, the Arabs would probably have to revise at least two of their stands of recent years. They would have to be more understanding of American efforts to promote limited autonomy in the West Bank and Gaza Strip. And they would have to

From Jerusalem and Beirut, two outlooks on Israeli-Palestinian dealings; page 2.

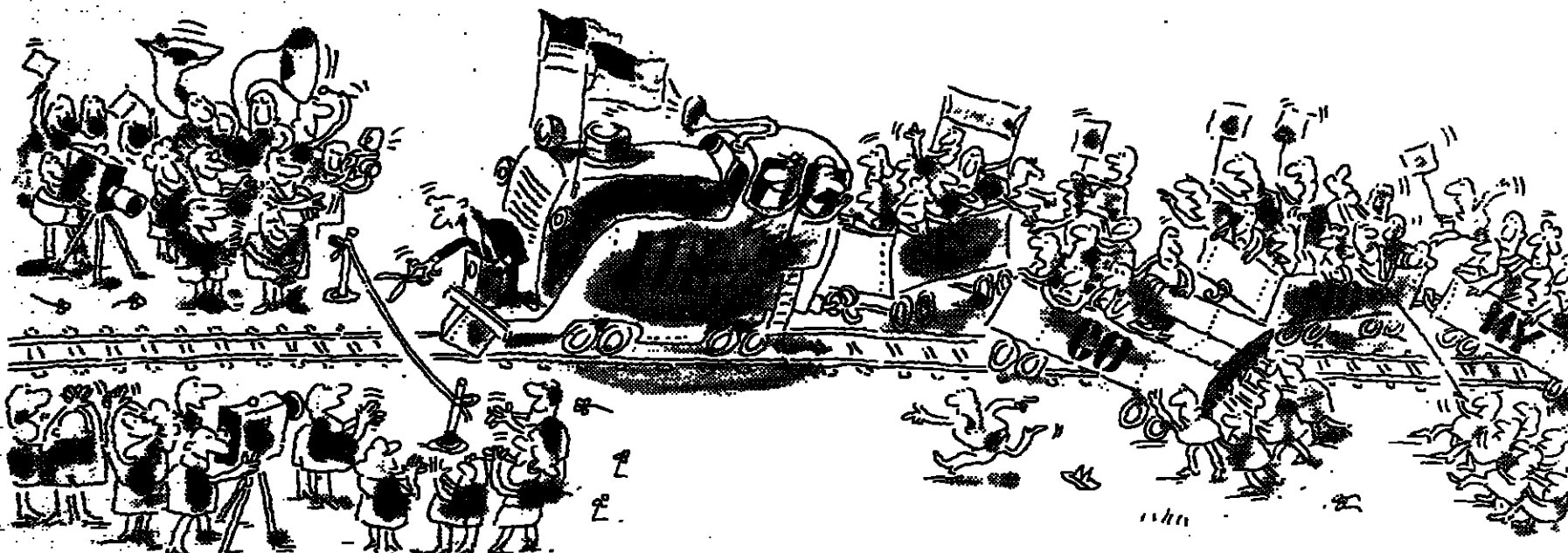
reconsider the 1974 Arab League decision at Rabat to strip Jordan of responsibility for negotiating the future of the West Bank.

If there is to be a long-term solution in the West Bank, it will probably have to include some kind of Palestinian confederation with Jordan, although the current Government in Israel would reject any approach that precluded Israeli sovereignty over that area.

Inevitably, any American diplomatic push will lead to further strains with Israel, which has demonstrated in the Beirut crisis the durability of Henry A. Kissinger's comment that Israel's negotiating method is "to haggle even over the slightest concession, never to make an unexpected compromise, and to settle only when everyone has reached a state of exhaustion that deprives the conclusion of exaltation or even good will."

Mr. Shultz, or a negotiator yet to be named, will require enormous tenacity to struggle with the Israelis, to overcome the doubts of the Jordanians and Palestinians who have resisted being drawn into the Camp David negotiations, and to persuade the Syrians that they have something to gain by appearing forthcoming.

Getting a Congressional Coalition Was Tough; Getting the Economy to Coalesce Tougher



Reagan Wins His Gamble on Taxes, at a Price

By HEDRICK SMITH

WASHINGTON — Never before in Ronald Reagan's tenure had the sense of political challenge and economic peril gathered so powerfully. Never before had the California conservative been driven into an alliance of necessity with his liberal rival, House Speaker Thomas P. O'Neill Jr., or shared his full prestige on such an evidently unpopular endeavor as passing a \$98.3 billion tax bill 75 days before Election Day.

By sacrificing Reaganomic orthodoxy for tactical pragmatism, the President risked a showdown with the ideological Republican conservatives who had been the hard core of his coalition for the past 18 months; it took his extraordinary lobbying with more than 120 Republicans, and appeals from Mr. O'Neill and other Democratic leaders, to beat back the Young Turk Republicans and win over wary Democrats. Like a Dutch uncle, the Speaker went into the well of the House just before the crucial vote Thursday and reminded the Republican dissidents that 30 of them had ridden Ronald Reagan's coattails into Washington and that they now owed him allegiance.

In the Senate, Paul E. Tsongas of Massachusetts acknowledged the partisan Democratic temptation to punish the President for past triumphs and taunts by remaining on the sidelines and watching Republican battle Republican and the legislation go down in defeat. But, he said, the country deserved better. There was enough re-

form in the bill, enough revenue for social programs to persuade many liberal and moderate Democrats that they should join ranks with Republican regulars.

When time came to vote, most legislators shared the estimate of House Democratic Whip Tom Foley that the economy was in such poor condition that "it would have been indefensible" to reject a bill deemed so crucial to holding down runaway deficits and, in the process, to repudiate the budget process, the President and the bipartisan House leadership.

But it was a bill almost no one wanted to vote for because polls and the mail showed that Main Street hated

earlier this year. Support for his performance had reached a new low, 41 percent, in the latest Gallup Poll.

Privately, some of the 89 Republicans who voted against him wanted to teach him a lesson, to humble their President by making him pay heavily for attempting to moderate his supply-side beliefs. They came very close to doing just that. But regular Republicans feared the damage to the party if the President were rendered politically impotent. "Had he lost this one, it would have been a severe blow to his leadership ability," conceded James A. Baker 3d, the White House Chief of Staff. "But he's emerged with his leadership intact. He's in a very, very strong position to move ahead with his initiatives in Congress this fall — more spending reductions, the constitutional amendment to balance the budget, the school prayer proposal, tuition tax credits — issues dear to some of the people who broke with us on the tax bill."

Some Republican leaders pointed to last week's surge in the stock market as evidence that the tax vote would speed up economic recovery. But one Republican close to the Senate leadership conceded, as did many of his party colleagues, that "this is not a watershed all by itself — the main thing is it kept the deficit problem from getting much worse." In practical terms, the vote was an essential piece of the agreed plan to hold down the fiscal year 1983 deficit, originally estimated at \$104 billion but more likely to run \$130 to \$140 billion because of the sluggish economy. And even that will require some distasteful program slashing. "We're not out of the woods yet on the

budget," a Senate Republican said. "This was just one of a series of tough votes."

Republican political strategists contended that this victory will inevitably help the Republican cause in November. "Sure, there's going to be a short-term benefit to the President, but he's not on the ballot this fall," countered Congressman Foley. By cooperating with the President, he and other Democrats believe they have undercut his argument that he needs a more Republican Congress to get his program through. And in spite of the bipartisan effort this past week, the White House shows no signs of easing off on a sharply partisan campaign.

More independent analysts suggest it is hard to say now what impact the tax vote will have on the fall elections. Although many Democrats were reluctant to support the tax increase out of fear that Republican challengers would make the most of their vote, national campaign consultants have not detected any great eagerness to exploit the tax issue, partly because both sides wound up supporting the bill. "It is more likely to become one component of the much larger issue of the economy," suggested Robert Teeter, a respected Republican pollster. And in that calculation, the economic news over the next 10 weeks is likely to quickly overshadow the tax bill vote. Last week, for example, Moscow accepted Mr. Reagan's one-year extension for grain sales.

Moreover, Republicans have the immediate task of healing the breach in their party. Many conservatives speak of bruised feelings over the "hardball tactics" employed by White House aides. Mindful of their complaints, President Reagan quickly offered an olive branch to the dissident Republicans after the vote. At the same time, Congressional Republican moderates also hope to keep tugging Mr. Reagan in their direction.

But many in the party believe that something fundamental has changed and that perhaps next year, the breach may reappear. "Conservatives feel less and less they have a home," commented Richard Viguerie, an important right-wing political activist. "We feel impotent and beaten up on. There could be difficult times next year."

French tighten up on terrorism and argue over blame

3



People with people in mind.



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The World

In Summary



Taiwanese soldier peering from American-made tank last week.

A Compromise With China Over Taiwan

Of all the differences between the United States and China, that involving continuing American support and arms supplies for Taiwan appears to be the most difficult to resolve. Last Tuesday, Peking and Washington announced an uneasy and tenuous settlement of the dispute over arms to Taiwan, a renegade province in Chinese eyes. The United States agreed to reduce such supplies gradually and China pledged to work for reunification of Taiwan with the mainland by peaceful means only.

The settlement, after 10 months of hard negotiating, came under immediate attack by the Taiwanese and their supporters in Congress who accused the Administration and "the weaklings and sissies" in the State Department of having "given in" to China and violated the Taiwan Relations Act. The act, passed in 1979 after the United States recognized China, provides for enough military aid "to enable Taiwan to maintain a sufficient self-defense capability."

But for Peking this was simply a first step in ending arms deliveries altogether and it warned that "failure to settle this issue is bound to seriously impair relations between the two countries." The accord calls for gradual reduction in arms sales, "leading over a period of time to a final resolution."

Chinese officials, who had their own hard-liners to worry about, insisted that final resolution meant an end of the sales while Washington indicated they would continue until reunification took place. Taipei officials charged that Peking had duped Washington and still intended to invade the island. As much to reassure Taiwan as to warn Peking, President Reagan stressed his "full expectation" that Peking would respect its pledge of peaceful reunification.

Bailing Out Mexico

Falling oil prices and huge trade deficits created one of Mexico's greatest financial crises last week, and there were strong international repercussions. With its treasury virtually bankrupt and unable to meet some \$20 billion in debt principal over the next 12 months, the Mexican Government held an emergency meeting with more than 100 of the world's leading banks to urge delay in repayment of \$10 billion of the debt and to seek up to \$1 billion in new loans.

Mexico was also dickering with the International Monetary Fund for an additional \$4.5 billion in cash after having obtained \$1 billion from the United States Treasury as an advance payment for oil and \$1 billion in loans from the Commodity Credit Corporation.

The American Government help was intended, officials said, to keep Mexico "democratic and non-communist." This relief in hand, Mexico reopened exchange markets, which had been closed for a week to prevent further battering of the peso.

Mexican officials called the crisis a simple "liquidity problem." But the financial world was so nervous at the possibility of default that the American dollar was driven down in London trading and investors in the United States deserted three-month certificates of deposit issued by American banks in favor of seemingly safer Treasury bills. The reason for both phenomena was that some American banks were believed to as much as 90

percent of their capital on loan to Mexico.

Beyond the immediate crisis, Mexico had to contend with runaway inflation that could reach 100 percent by the end of the year and a lack of confidence by its own and the international business community. The Government contributed to the inflation early this month by cutting subsidies for consumer items like tortillas and gasoline to reduce its budgetary deficit and its need to borrow abroad.

Last Foray or Further Delay?

South African troops, ignoring the Aug. 15 cease-fire target set by American and other Western mediators, were battling insurgents in Angola again last week.

Optimists explained away the military incursion as the last gasp of the 16-year war over independence for South-West Africa, also called Namibia. They portrayed it as an effort to weaken the South-West Africa People's Organization before Namibian elections and to neutralize the political opposition in South Africa. (Right-wingers showed their muscle last week when the combined vote of two opposition parties out-pollied the winning National Party candidate in a parliamentary by-election.)

Pessimists contended the fighting was merely Pretoria's latest attempt to derail the Namibian independence. South Africa said its forces killed 418 insurgents and lost 44 men, their worst losses to date.

Sam Nujoma, leader of the insurgents' South-West Africa People's Organization, has accused Western negotiators of spreading optimism to create a false sense of momentum while critical issues remain unresolved. One such issue reiterated last week by South African Defense Minister Magnus Malan is the departure schedule of 15,000 to 20,000 Cuban troops in Angola. They must leave before a Namibian settlement can become a reality, he insisted.

More Trouble In Paradise

The Seychelles, a string of 94 lush coral islands in the Indian Ocean, gained independence from Britain in 1976. Its 66,000 inhabitants try to live mainly off tourism but coups, successful or attempted, keep getting in the way.

Last week, a rebellion by low-ranking soldiers was apparently crushed after the rebels seized the radio station in the tiny capital of Victoria and complained they had been "treated like pigs" by their officers. Initial reports said the insurgents were not contesting the rule of President France Albert René but later they indicated they were opposed to him too.

Mr. René, a Socialist, took power himself in a 1977 coup, reportedly with Tanzanian help. Tanzanian soldiers were said to have helped again last week to defeat the rebels, who desperately telephoned to reporters to try to enlist support from Britain and South Africa. Last year, Mr. René survived a coup attempt by 100 mercenaries mainly from South Africa.

Aside from the tourists, interested observers undoubtedly included Washington and Moscow. The United States maintains an Air Force satellite tracking station in the Seychelles and Soviet warships anchor there.

Resistance and Retaliation

When Poland's Gen. Wojciech Jaruzelski called on a vacationing Leonid Brezhnev in the Crimea last week, the mood was all business — a not-so-subtle indication of the Soviet leader's concern about a Solidarity resistance campaign just getting under way.

While the two leaders were busy with the ritual of blaming the United States for Poland's troubles, riot police in Warsaw's Victory Square used water cannon, tear gas and truncheons to break gatherings which huddled in prayer before a floral cross. Later, authorities built a six-foot wall around the square, claiming it needed repairs.

The Government's forceful strategy followed serious incidents in four cities the week before and allegations that inmates were beaten in a detention center near Gdansk. Disputing some of the facts in a dispatch about the detainees, the Government suspended the accreditation of John Darnton of The New York Times for three days.

Solidarity demonstrations are scheduled to culminate on Aug. 31, the anniversary of the 1980 Gdansk agreement that recognized the independent national union. Despite sporadic clashes during the week, most Poles appeared to be heeding General Jaruzelski's threats of "no leniency" rather than warnings from underground union leaders that the days of August mark the "last chance to avoid the final tragedy of the country."

Henry Ginzler, Milt Freudenheim and Katherine J. Roberts

Israeli-Palestinian Future Depends on Use of War's Lessons

Which Side Won In Beirut Could Be a Trick Question

By THOMAS L. FRIEDMAN

WHO won the Israeli-Palestinian war in Lebanon? It is an elementary question, but one that will be debated by statesmen, journalists and historians for years. Like everything about this messy war, there are no clear-cut answers, although both sides are already cranking up their information machines to manufacture them.

In purely military terms, Israel's victory was near total. It uprooted the Palestine Liberation Organization military structure in south Lebanon and forced most of the remaining guerrillas into a virtually unconditional withdrawal from west Beirut. And using a variety of imaginative tactics and homemade weaponry, the Israelis captured some of the most sophisticated hardware in the Soviet arsenal.

But perhaps because he is a former general, Israel's Defense Minister, Ariel Sharon, recognized more than most that whatever the military outcome in Lebanon, wars are fought for political ends. Last week, it was the political victory — the one surely to be the most contested — that he claimed.

"This was an unparalleled defeat for the P.L.O.," Mr. Sharon said. "The end has come for their independence. This is an absolute and basic change. There is no victory here. This is a defeat, a political defeat, which surpasses the military defeat."

The point was critical. In all its wars, in 1948, 1956, 1967 and 1973, Israel has won the battle but never the security and peace of mind that should come with it. The same may be true in Lebanon as well. The P.L.O., by being forced into an Arab diaspora, has lost a lot, not least its freedom of action. But it has not lost its cause. In their preoccupation with P.L.O. military behavior, the Israelis lost sight of the fact that even the Palestinians realized their guerrilla army could never defeat Israel. It was designed to harass the Israelis, to destroy their property and kill their people and, in so doing, to keep the Palestinian cause alive. Israel, by throwing its full armed weight into crushing this limited threat, has in a sense strengthened that cause.

The very search by the American special envoy, Philip C. Habib, for a solution in Beirut and a place to send the trapped guerrillas has drawn attention to their continuing homelessness. This was innocently expressed recently when a reporter in west Beirut for a mid-American newspaper received a message from his foreign desk asking, "Why can't the Palestinians go home?"

Shimon Peres, the leader of Israel's opposition Labor party, put it even more sharply when he remarked that "all Begin has done is to push the Palestinian question into the center of American attention." President Reagan last week cited the need to "move quickly in the context of Camp David to resolve the Palestinian issue in all its aspects."

Israel has survived many "re-evaluations" of American Middle East policy and doubtless does not fear this latest one. But what may be more dis-

Jerusalem Is Hardly in A Hurry on Autonomy

By JAMES F. CLARITY

ONCE the war in Lebanon was over, Prime Minister Menachem Begin said recently, Israel could look forward to "a historic period of peace, maybe 40 years or 50 years." Part of the peace, he added, would be increased autonomy for the two million Palestinians in the occupied West Bank and Gaza Strip. The Prime Minister, restating with orator's emphasis the Israeli position on the Palestinian refugees, said Arab residents of the occupied territories would have "full autonomy" in the administration of agriculture, justice, housing, labor and municipal affairs. But he did not say when this would come to pass, and he added quickly that the result would be "a quasi-government, not a state."

Mr. Begin's statement, to United Jewish Appeal fund-raisers from the United States, was not considered big news in Israel. To Israelis and Palestinian Arabs living under Israeli rule, he seemed to indicate that Israel was in no hurry to budge from its policy on the territories it captured in the 1967 war or to resume discussions of Palestinian autonomy, as stipulated in the 1978 Camp David agreement.

For one thing, Egypt, seeking to regain credibility and prestige among fellow Arabs, has charged that Israel has effectively torpedoed resumption of negotiations on autonomy by its military action in Lebanon. The Egyptian Foreign Minister, Kamal Hassan Ali, said last week that Israel was trying "to empty the Camp David agreements of their content." He demanded that Israel issue a "clear definition" of its policy. This was interpreted by officials and diplomats in Jerusalem as a signal that it was too soon after the siege of Beirut for Egypt to be seen in public talking to Israel in the framework of Camp David, which other Arab nations considered treachery. A senior Israeli official said Israel still advocated a five-year period of limited autonomy that could lead to Palestinians choosing their own local officials.

Fearing the Worst

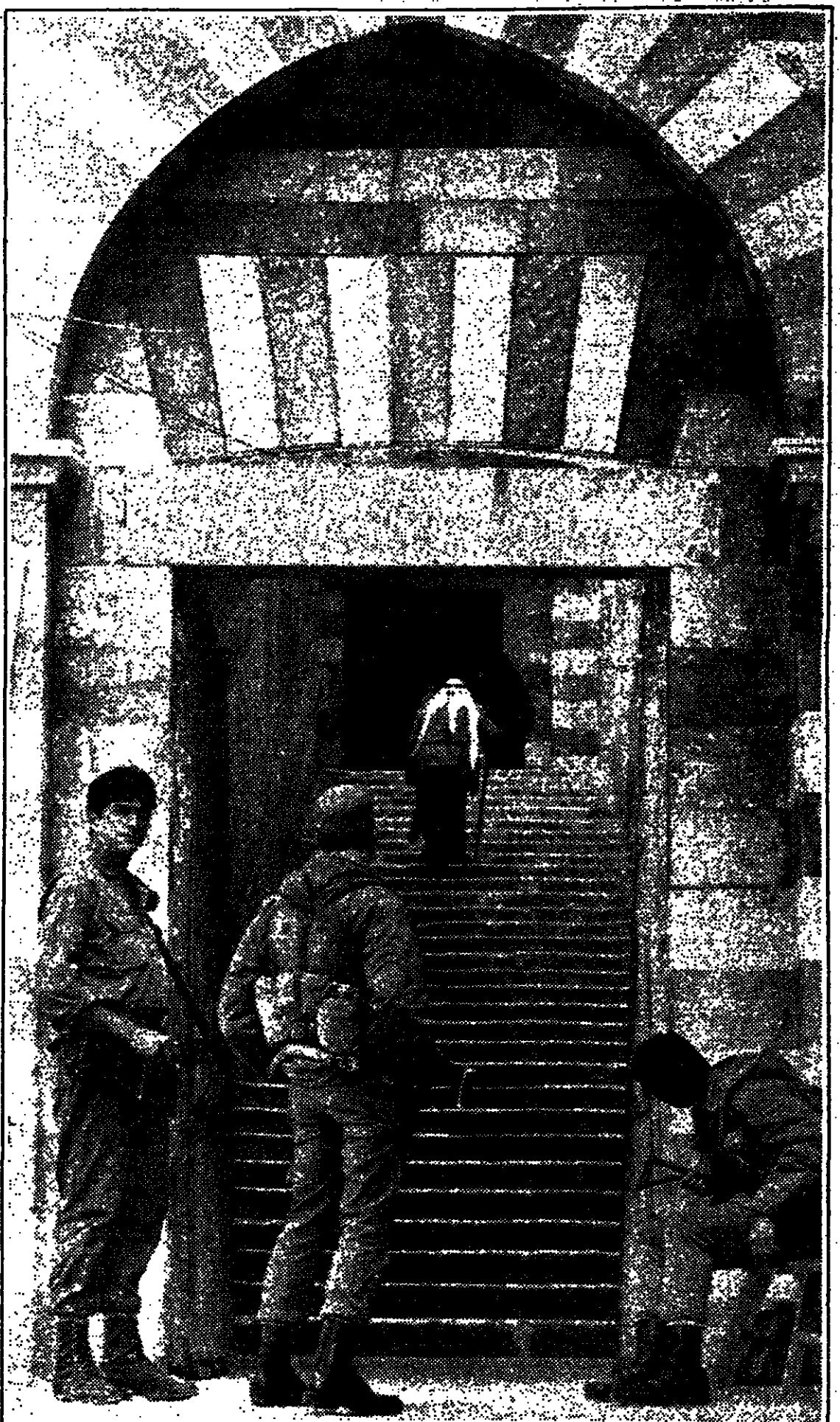
But Israeli officials also cited a practical reason for the lack of urgency to resume discussing autonomy. They anticipate serious difficulties after evacuation of west Beirut with the Syrians, and some Palestinians, in the Bekaa Valley. Whether or not there is new fighting, there is no likelihood that Israelis would talk about autonomy for Palestinians until they felt comfortable with the political and military state of Lebanon.

turbing is the Israeli army's inability — despite what Mr. Sharon said were serious efforts — to kill any top P.L.O. leaders. The leadership's survival certainly enhanced its credibility in the eyes of Palestinians here and elsewhere. If the leaders make it out of west Beirut, they will become a stronger rallying point than ever, particularly for Palestinians in the West Bank and Gaza Strip. It was precisely this link between the P.L.O. and the Palestinians in the occupied territories that Israel was trying to discredit to make way for its own brand of restricted autonomy.

This would seem to suggest a P.L.O. political victory. But things are not that simple. As the Israelis well understand, Yasser Arafat must now try to run his battered organization out of a suitcase, shuffling between Arab capitals and trying constantly to avoid being torn apart in the pit of inter-Arab politics.

The strains on the P.L.O.'s already wide and loosely tied political spectrum will be tremendous. The pressures will be even more intense when recriminations over Arab silence during the Lebanon invasion begin to fly.

For some, the temptation to turn to terrorism



Israeli troops on patrol in the West Bank town of Hebron.

This is well known to Palestinian Arab leaders in the occupied territories and while they do not like it, there is little they can do to change it. Even moderate Palestinians there feel that the Israeli victories in Lebanon will produce, at least indirectly, more repression of militant Arabs. So-called Village Leagues, made up of Palestinians willing to cooperate with the Israelis, have continued to clash, sometimes in fatal shootings, with anti-Israeli Arabs. Victory in Lebanon, a militant Palestinian high school teacher from the Hebron area predicted, will mean that "their policy is always the iron hand. — We'll see more and more violence here."

The acting Mayor of Hebron, Mustafa Natshe, who is considered a moderate, agreed that the Israeli victory would "make the Village League people think that the Palestine Liberation Organization is finished so they can do what they want." But Mr. Natshe, like many Palestinians, both moderate and militant, does not seem to feel that the P.L.O. and its leader, Yasser Arafat, have lost face or influence in defeat. On the contrary, they note that no Arab nation had ever withstood the powerful Israeli forces so long as Mr. Arafat and the P.L.O. They compare the Six-Day War in 1967 and the brief Yom Kippur War nine years ago to the 10 weeks the Israelis took to batter the P.L.O. into agreeing to leave Lebanon.

The Palestinians are also concerned about the Begin Government's apparent intention to build more Israeli settlements in the West Bank. Government officials and World Zionist Organization members last week proposed four more settlements. But there are no plans for imminent construction. Mr. Begin also favors new settlements, but how fast is one of many imponderables created by the Government's absorption with

will be great. It was after a similar, but smaller, P.L.O. defeat in 1970 in Jordan that the Black September terror group was born. The independent-minded Mr. Arafat may also find that with his organization more spread out, his enemies — particularly the Syrians and Libyans — may try to set up their own subservient mini-P.L.O.'s.

Thus, it is too early to declare an unequivocal political victory; so much depends on what both sides have learned. If Israel used the breathing space while the P.L.O. was weak to extend real autonomy to the Palestinians in the West Bank and Gaza, then victory might go to Jerusalem. On the other hand, Mr. Arafat, taking advantage of world sympathy and attention, could recognize Israel's right to exist and seek a West Bank Palestinian state through purely political means. But none of this seems likely, given Palestinian-Israeli history.

A few weeks ago, Prime Minister Begin was addressing a group of American Jews in Jerusalem about the need to get all of the P.L.O. fighters out of Beirut to guarantee Israel's security. "Very soon the fighting will be finished," he said. "And then perhaps that famous verse from the Book of Judges will be brought into realization!"

"There shall be peace in the land for 40 years."

Mr. Begin's remarks recalled a similar speech by Moshe Dayan after the 1967 war. Standing at the Suez Canal the Israeli general looked across the desert and declared that the Arab world had been defeated. There would be no more Arab-Israeli wars for at least 10 years, he said, "not even a skirmish."

Lebanon and with soaring domestic inflation.

Militant Arabs in the occupied territories say that Mr. Arafat will remain their hero, but they do not foresee the P.L.O. being able to exert direct military pressure on Israel for a long time. Moderate Palestinians like the Mayor of Bethlehem, Elias Freij, feel that the Palestinians should now make the most of their underdog image, transmitted on television all over the world as they sustained heavy Israeli aerial attacks.

But Mr. Freij and other moderates also feel that apparently rigid Israeli opposition to the creation of an independent Palestinian state will continue. They fear that military victory will encourage Israel to consider seriously the outright annexation of the West Bank and Gaza. Mr. Freij, who is 62 years old, said he did not expect to see the creation of a Palestinian state even if he lived another 62 years. He added that he intended to continue advocating "peaceful coexistence" between Israel and the P.L.O., mutual recognition of the right to exist and Israeli agreement to the establishment of an independent Palestinian homeland.

Mr. Freij wanted to accept an invitation to appear in Washington today on the "Meet the Press," television program, he said, to argue that there was a just and nonviolent way to settle the Palestinian issue. He said Israeli occupation authorities vetoed the trip. "They don't want a moderate voice to speak with reason," he contended. Rashid Shawa, a moderate but recalcitrant politician who was dismissed by the Israelis last month as Mayor of Gaza, said he also was prevented from accepting. An Israeli spokesman said that was "totally false," but Mr. Freij insisted the denial happened. "The policy of Israel is to hush us," he said, "to close our mouths. They don't want the world to hear what we have to say."

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Who or What to Blame for Attacks on Jews Provoked Bitter Debate Last Week

France Takes A Firmer Hand With Terrorism

By FLORA LEWIS

PARIS — After a long period of rather condescending clucks at the ravages of terrorism in neighboring states, France has suddenly found itself to be a prime target. The massacre of six persons in a Jewish restaurant, among other incidents, led President François Mitterrand to break his rule of not responding in the heat of events and to proclaim on television last week a "war on terrorism."

Everybody agreed that firm countermeasures were needed. But beyond that, there were raging arguments about why the scourge has reached France now, who is responsible and what it all means.

Many blamed the Middle East fighting one way or another. Mr. Mitterrand did not discourage this view, saying that "one act of the war out there is taking place in Paris" and that "all kinds of extremists want to hit France because it is the main factor for peace."

Those who support the Palestine Liberation Organization, including the French Communist Party, said it was the Israeli invasion of Lebanon that provoked a reaction here. An extreme leftist, Jean-Marc Rouillon, said in a newspaper interview that his group, Direct Action, was responsible for three bombing attacks against "Jewish targets." The next day Direct Action was declared illegal, making it possible to arrest members without proof that they personally participated in the violence. Yesterday the group claimed it had planned a car bomb that exploded in a Paris neighborhood where American diplomats live. A police explosives expert was killed.

People who sympathize with Israel, even though they may criticize the Begin Government, said French gestures toward the P.L.O. and especially steamy French press and television reports on the war, with references to "genocide" and "neo-fascists," created a climate of indulgence toward anti-Semitism. Heat was added with harsh statements by Prime Minister Menachem Begin which offended Frenchmen who do not have such strong feelings either way.

Not all the sudden explosion of terrorist bombings and shootings here has involved Jews or Arabs. Armenians have been active, Corsicans keep erupting, and there is always an uneasy atmosphere surrounding Basques who operate in Spain and take refuge in France. Some of the most serious incidents have never been signed. But it is pointed out that nowadays professional terrorist groups help each other and, regardless of their cause, many have received training from elements of the P.L.O.

Spain, Italy and, on occasion, West Germany have complained at lack of cooperation from the French in pursuing terrorists who cross the border. The new French decisions, including a new junior minister for public security, are intended to provide for better coordination both internally and internationally, without actually establishing special measures which French authorities have rejected as impinging on democracy.

A Domestic Issue

The charge of being lax in dealing with criminals has made terrorism a domestic political issue. At the start of Mr. Mitterrand's term, an amnesty that included some extremists and sympathy for foreign radicals among some of his advisers were cited by his critics as a reason why terrorists, facing stern repression elsewhere, were drawn to France.

But supporters of the Government point out that there was long believed to be a tacit agreement that enabled Palestinians to establish a base in France so long as their hits were made in other countries. Even now, Spain believes that the Paris Government leaves Basque terrorists in safety in return for not stirring up trouble in the French Basque country.

There is no change in this policy, though Mr. Mitter-



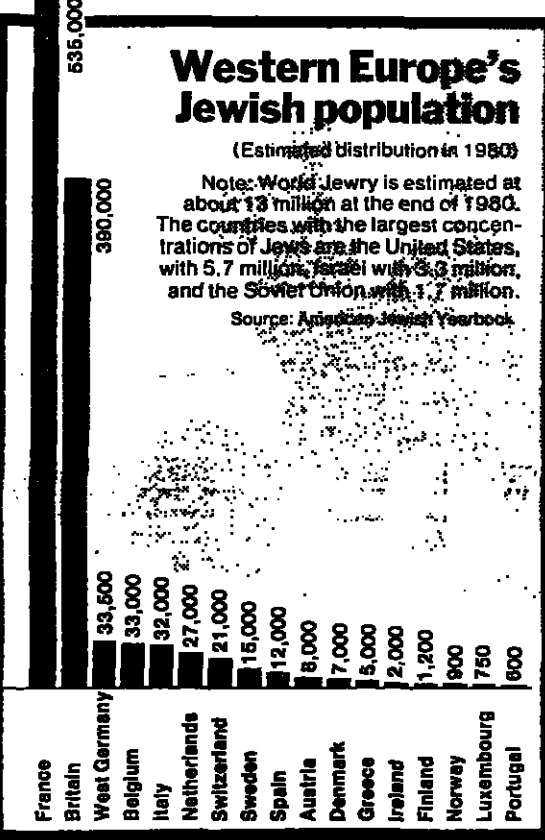
Walters grieving over body of co-worker killed in terrorist attack against Jews at Jo Goldenberg's restaurant in Paris.

Western Europe's Jewish population

(Estimated distribution in 1980)

Note: World Jewry is estimated at about 13 million at the end of 1980. The countries with the largest concentrations of Jews are the United States, with 5.7 million, Israel with 3.3 million, and the Soviet Union with 1.7 million.

Source: American Jewish Yearbook



rand has now announced a long-discussed measure of control which Paris always had refused — surveillance of foreign embassies that support terrorists and apparently ship arms for them under diplomatic immunity.

Underlying all this is the very different question of anti-Semitism in France and other European countries. That clearly comes from both the far right and far left. It is an inevitably murky question how much attacks on Israel veil an essential anti-Semitism which has nothing to do with the Jewish State, and how much attacks on Jewish institutions are aimed at their supposed support for Israel. Clearly, the history of French-Israeli relations has influenced attitudes. France was a warm backer and chief arms supplier to Israel until, at the start of the 1967 war, President Charles de Gaulle declared an embargo and abruptly shifted to a pro-Arab policy.

Mr. Mitterrand tried to restore some balance, forbidding French firms to observe the Arab boycott, supporting Camp David and joining the Sinai multinational force. He was the first French President to visit Israel, though he went to Saudi Arabia first to show his anger at Israel's bombing of the nuclear reactor being built by the French in Iraq.

Except for Austria, which has given status to the P.L.O. just short of state recognition, there has been a decline of terrorism involving Arabs and Jews outside France. Anti-Semitic incidents continue in Austria.

Given modern communications and mass travel, the only effective weapon against terrorism appears to be computerized intelligence and surveillance, a long painstaking job. Anti-Semitism is a greater mystery, much harder to uproot. France and its neighbors do not expect to win their "war" quickly, but at least they are likely to cooperate better against what they have come to see as a common enemy.

Reaching for U.S. Help

A Struggle to Stay Afloat In Caribbean

By RICHARD MEISLIN

SANTO DOMINGO, Dominican Republic — Few Caribbean leaders have started their terms on such an openly pessimistic note as Salvador Jorge Blanco of the Dominican Republic, although many in the region would have equally pressing reasons.

In his inauguration speech last week, President Jorge Blanco bluntly told an anxious and hopeful nation that it was in "financial bankruptcy." He then outlined a program of austerity and sacrifice — salary cuts, import restrictions, higher taxes — intended to bring the economy to a survivable degree of life, if not into even keel.

The story of the Dominican Republic is the story of many Caribbean nations. A rapidly rising population has eaten away at the economy's ability to be self-sustaining, thus increasing the need for imports. The price of oil, which is crucial to industrial development, has soared. Interest rates for international loans have increased dramatically. Prices for traditional Caribbean export commodities such as sugar, coffee, cocoa and bauxite have plummeted. And as yet another blow, the United States recently introduced sugar import quotas, reducing the countries' access to their primary market. Unemployment has grown, not so much because of worldwide recession as because of population growth that has outstripped the ability to create jobs. In the Dominican Republic, about 30 percent of the people are unemployed.

While the problems are instant, the solutions are not. The first part of President Reagan's "Caribbean Basin initiative" was approved by Congress last week, nearly six months after he announced it. However, the \$350 million aid package was included in a \$14.2 billion supplemental budget bill so alien to the Administration's interests that budget director David Stockman was recommending a veto — a recommendation that diplomatic sources believed the President was likely to follow.

The Assistant Secretary of State for Latin American Affairs, Thomas O. Enders, spent some time in Santo Domingo last week reassuring Caribbean leaders that although Congress would "yo-yo around" with it, the aid package would eventually prevail, probably shortly after Congress returns after Labor Day.

But that money will not go far in taking care of the Caribbean's economic crunch. For one thing, a disproportionate amount — reduced by Congress to \$75 million — will go to El Salvador. An additional \$70 million will go to help reduce economic pressures on the democratic Government of Costa Rica. When those two countries, not traditionally considered part of the Caribbean, are set aside, the remaining package averages only a little more than \$6 per person in the region. To look at it another way, Dominica, a speck of land in the eastern Caribbean, could easily absorb the entire \$350 million just to bring its infrastructure of roads, power and water to a point where foreign industry might find it an acceptable place to invest.

While grateful for American aid, some Caribbean leaders look with longing at the support that Cuba, which



Mother and her children in the Dominican Republic.

faces the same grave problems as its neighbors, receives from the Soviet bloc, although they have no affection for the strictures that go along with it. Cuba sells sugar to Eastern bloc countries at a subsidized rate of about 40 cents a pound — compared with the current depressed world price of 7 cents — and receives oil at reduced prices. Without this aid, its economy could not survive.

"There is an increasing feeling," said a Dominican official, "that if the United States wants to maintain democracy in the Caribbean, it must be prepared to invest in it the same way." He suggested, for example, energy subsidies to provide relief from the high oil prices that are strangling Caribbean industrial development.

President Reagan's plan contains no such provision, relying instead on free-market factors. The two key elements of his aid package would provide incentives for American business to invest in the Caribbean and would eliminate duties on a wide range of Caribbean exports to the United States for 12 years. (About 60 percent of Caribbean products already enter the country duty-free.)

In response, Mr. Jorge Blanco announced that he would work toward "free trade zones" in the Dominican Republic to make it more attractive to foreign investment. It is this type of complementary action that the Administration hopes to inspire. He also announced a battle against corruption, one of the little-talked-about disincentives for potential investors.

Supporters of the Caribbean Basin measure hope it passes before the current session of Congress ends, but they say it will not be easy. The House is under pressure to expand the list of products, which include textiles and clothing, that would continue to be subject to duties. It has added leather goods, shoes and, in a concession to Puerto Rico and the Virgin Islands, rum.

While the Caribbean Basin proposal awaits resolution, the Senate last week approved a major revision of the nation's immigration laws that severely restricts employment for illegal aliens who came to the United States after Jan. 1, 1980 (details of bill, page 4). If the House approves it, the measure would clog one of the economic pressure valves in the Caribbean — flight to the United States — making it more important than ever to ensure that opportunities are available at home.

After Long Debate, Constitutional Change Comes to Portugal

The Soldiers Are Sent Back to Their Barracks

By PAUL LEWIS

LISBON — While most of the population sweltered peacefully on the benches, Portugal this month rid itself of a major relic from its brush with communism after the revolution of 1974 that overthrew a 40-year dictatorship.

After two years of political maneuvering, the Portuguese Parliament finally mustered the necessary two-thirds majority to reform the Marxist-leaning Constitution of 1976 and abolish the committee of leftist army officers known as the Council of the Revolution. The Council had powers to veto legislation it considered unconstitutional. In the same reform, Parliament sharply curtailed the powers of the country's president, Gen. Antonio Ramalho Eanes, who headed the Council.

The vote was immediately hailed as a major political victory for Prime Minister Francisco Pinto Balsemão's center-right coalition Government, whose plans to open up more of the Portuguese economy to private enterprise by denationalizing banks and companies taken over during the revolution have repeatedly been frustrated by the Revolutionary Council.

It is also being presented as a significant consolidation of parliamentary power in Portugal at a time when democracy is under strain in neighboring Spain and other southern European countries — and has been snuffed out entirely by the military in Turkey.

But while both claims are true to a point, marching the Revolutionary Council back to barracks will do little in the short term to ease the problems of economic backwardness and political inexperience facing Portugal and much of the rest of Europe's poor southern tier.

Originally the Balsemão Government wanted to abolish the Revolutionary Council as part of a sweeping revision of the 1976 Constitution that would purge it of all leftist aspects. Only Portugal's Socialist Communist Party, which helped set up the Revolutionary Council in 1976, voted to retain the Council, seeing it as a guarantor of the revolution's more radical aims.

Mário Soares's opposition Socialist Party after being deeply divided by the Government's constitutional revision proposals, agreed to provide the majority needed to get rid of the Revolutionary Council only after Mr. Balsemão dropped plans to scrap Portugal's constitutional commitment to socialism and agreed to preserve the "irreversible" nationalization of banks and other key industries, including cement, steel, transport, communications and brewing.

The Balsemão coalition, Portugal's longest-lasting government since 1974, has already started to reverse some of the economic reforms carried out by the leftist officers who were so prominent in the 1974 revolution, returning confiscated farmland and encouraging foreign investment. Undermined by its failure to denationalize Portugal's huge loss-making state sector, the Government hopes to make it more efficient, even though this could increase unemployment. It also wants to develop a new, private banking system in competition with the state-owned one, and is encouraging dispossessed industrialists to buy back their old companies. Later this year, the Government hopes the Ford Motor Company will put an American seal of approval on its free market-oriented policies by completing plans for a \$900 million automobile plant in the port of Sines, south of Lisbon, creating 11,000 badly needed jobs and substantial export earnings.

Despite these moves, the Government has failed to make much impact on a 15 to 20 percent inflation rate, a huge trade deficit, unemployment of at least 15 percent and an average income of only \$2,000 a year.

Eanes Remains Popular

Moreover, the Government's failure to get all the constitutional reforms it wants is increasing tensions between the three factional coalition partners, Mr. Balsemão's Social Democrats, the right-wing Christian Democrats and the small Monarchist Party. Some political observers believe Portugal is heading this fall for a political crisis it can ill afford, despite the Government's success in abolishing the Revolutionary Council.

Meanwhile, as the politicians squabble, the opinion polls show that General Eanes, a colorless but palpably honest figure, is easily the country's most popular leader despite his recent humiliation by Parliament. After more than a generation of fascist rule, the Portuguese still preserve a lingering fondness for a strong hand on the tiller of the state. And this may grow stronger still if the politicians fail to do better.

Now a new problem, not of Portugal's own making, has emerged. Like other southern European countries, Portugal, lacking indigenous resources and sophisticated export industries, has suffered more than northern Europe from the world recession. But until recently, everyone agreed that membership in the European Economic Community offered Portugal and its larger Iberian neighbor, Spain, their best chance of economic progress and of safeguarding their fledgling democratic systems.

But France's Socialist Government is wavering,

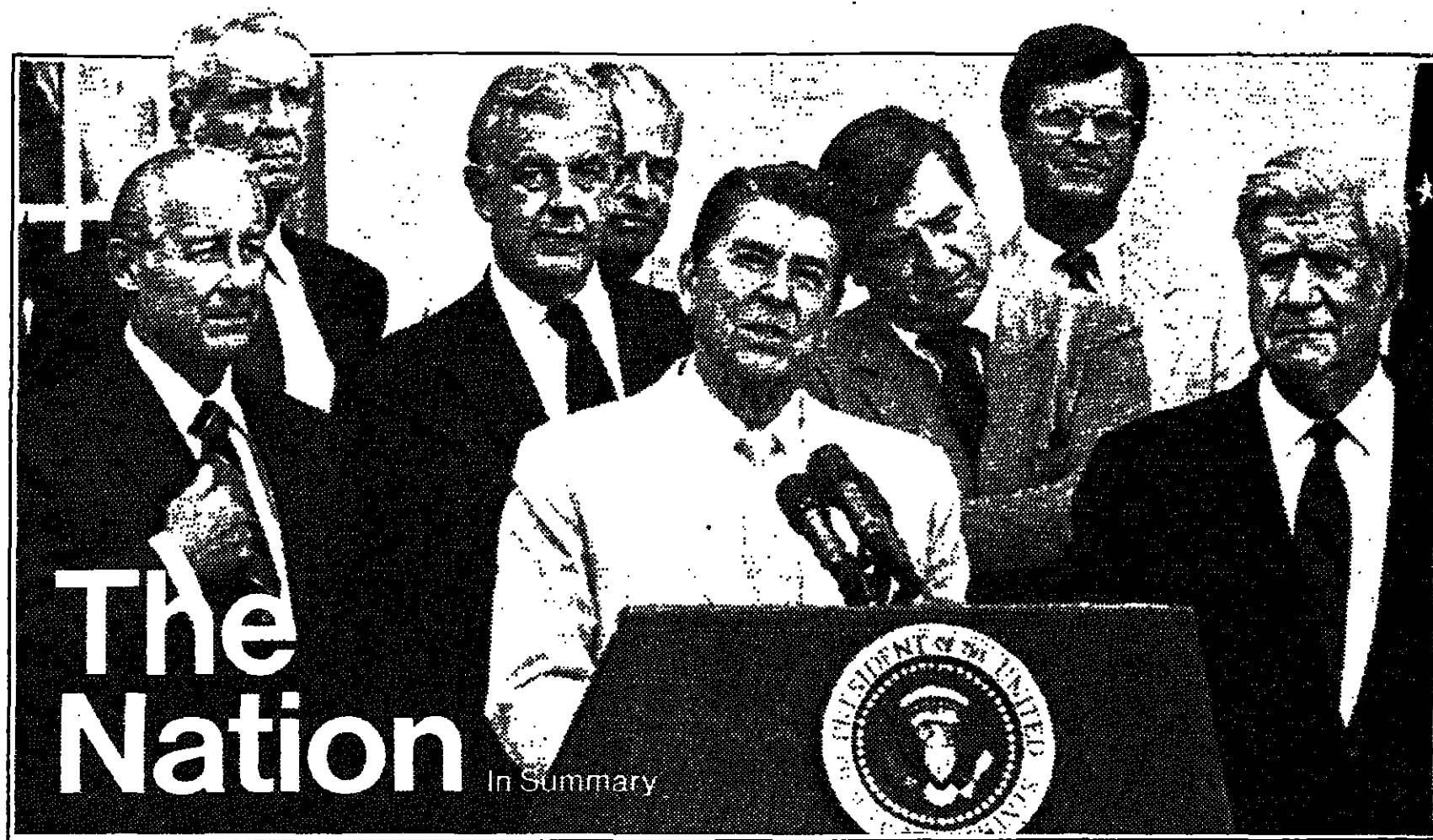
frightened that an influx of cheap wine, fruit and industrial products will only add to its unemployment problems. France's real intentions remain uncertain. But increasingly the talk in Paris is of some form of partial membership for the two Iberian applicants that would limit their access to the markets of the other community members. It may thus be longer than they once thought before unstable, impoverished Portugal as well as Spain are firmly anchored to the richer democracies of northern Europe.



Prime Minister Francisco Pinto Balsemão

BROADWAY 80

I'm glad I changed...



President Reagan urging passage of tax bill last week, with House leaders including Speaker Thomas P. O'Neill Jr. (right).

Economists Find the Gloomy Lining In Wall Street's Silver Clouds

EARLY in the week, as Wall Street's buying-and-selling binge was getting under way, the White House suggested that it was somehow a tribute to Ronald Reagan's fiscal good sense; all those hustling men and women in pin-striped suits had been set in motion by the President's nationally televised pitch for the \$98.3 billion tax increase bill then pending on Capitol Hill.

Congress subsequently approved the bill — the House by a 236-to-207 margin, the Senate by 52-to-47. But it remained to be seen if the legislation, portrayed as an important demonstration of Washington's determination to reduce Federal deficits, would turn out to be quite the milestone that President Reagan claimed.

Even with the tax increases and with almost \$31 billion in spending cuts that were also cleared by Congress last week, the Government still faces substantial splashes of red ink. The financial community's hyperactivity — it was the stock market's busiest week ever; volume on the New York Stock Exchange was a record 455.1 million shares — had been triggered by declining interest rates and predictions that the rates would drop even lower. But many analysts noted that these forecasts for the most part stemmed from speculation that the ailing economy wasn't going to feel better anytime soon. The cost of borrowing money has begun to drop (on Friday several big banks, making their third reduction of the week, cut their prime lending rates to 13½ percent, the lowest level since October 1980) because, among other things, businesses have sharply reduced or postponed capital spending projects.

Most authorities regarded an array of economic reports the Government released last week as further confirmation that the slump had hit bottom, or almost, but that recovery was not in sight. According to the Commerce Department's revised gross national product tabulations, the economy grew at an annual rate of 1.3 percent in the second quarter, a slower rate than had been predicted earlier.

The report also said that business investments fell more than had been first calculated and that business inventories did not decline by as much as had been expected, suggesting to some experts that improvement in employment and industrial production isn't just around the corner. But the department reported that personal incomes, boosted by higher Social Security benefits, jumped by 1 percent in July, the largest monthly increase in a year.

Whether it turns out to be economically decisive or not, the tax bill — most of whose provisions don't take effect until Jan. 1, well after the November elections — was in its own right an extraordinary piece of legislation.

More than two-thirds of the revenue is to be wrung out of business, the prime beneficiary of last year's tax-reduction legislation. And the bill contained a number of "reforms" long sought by Congressional liberals. One such provision requires businesses and financial institutions to withhold 10 percent of interest and dividends paid to individuals.

Altogether the measure is expected to raise about \$60 billion from businesses, \$21 billion through stricter enforcement and \$18 billion from stiffer taxes imposed on individuals. Provisions of the 1981 law that allowed a company to sell unused tax benefits and that authorized a further acceleration of depreciation in 1985-86 have been repealed. Limits have been slapped on the ability of United States oil companies to use losses in one country to avoid paying taxes on profits in other countries. Restaurants with more than 10 employees will have to report their serving staffs' tips to the Internal Revenue Service. Individuals will begin paying more for cigarettes, telephone service and airplane tickets.

The bill also provides for spending cuts — directed at such social support programs as Medicare, Medicaid and Aid to Families with Dependent Children — that would total \$17.5 billion over the next three years. At the same time, the measure provides for an additional 10 weeks of jobless payments in high unemployment states.

New Federal deficit predictions

(fiscal years, in billions of dollars)

	1982	1983	1984	1985
Reagan Administration forecast*	108.9	115.0	92.6	73.6
Congressional Budget Office forecast**	109 to 114	141 to 151	145 to 160	143 to 158

* assumes a total of \$976 billion of spending reductions over the next three years, of which \$128.1 billion in 1982, \$131.5 billion in 1983 and \$136.5 billion in 1984. Increases were passed by Congress last week. The table shows the deficit in billions of dollars where spending would be if there were no changes in current policy.

** assumes lower revenues for fiscal years 1983-85 than the Reagan Administration forecast.

Earlier in the week, Congress approved a separate bill intended to reduce Federal outlays in other areas by \$13.3 billion over the next three fiscal years. The bill includes a reduction in cost-of-living adjustments for retired Government employees who are under the age of 62 and a \$1.9 billion cut in food stamps. On Friday,

not long before Congress adjourned for a two-and-a-half-week Labor Day holiday, the Senate approved and sent to the White House a \$14.2 billion supplemental spending bill. Budget director David A. Stockman said he would recommend a veto because the bill includes an unwanted \$918 million more in domestic spending.

Senate Passes Immigration Law Changes

Amid rising concern over strangers at the gates, the Senate last week approved one of the most significant revisions of immigration law in 30 years. The measure would grant amnesty to millions who entered the country illegally before 1980, but was aimed at reducing the number who slip across the border in the future, largely by punishing those who hire them.

The bill, sponsored by Republican Senator Alan K. Simpson of Wyoming, won broad support in the Senate — the vote was 81 to 18 — and Attorney General William French Smith urged the House to "act swiftly in the same spirit of reason and reform." However, there was some question whether the House would have time this year, barring a post-election session.

Representative Peter W. Rodino, chairman of the Judiciary Committee,

is known to favor penalizing those who knowingly employ illegal aliens — the measure calls for fines of up to \$2,000 per illegal worker and jail sentences for repeat offenders. However, aides said he would seek to change some other provisions of the bill when his committee takes it up after Labor Day. At the very least, the New Jersey Democrat is expected to try to kill a section that would eliminate the immigration preference now given to the alien siblings of American citizens.

The bill's other main provisions include an annual immigration limit of 425,000, not counting refugees, with no more than 20,000 coming from any country other than Canada and Mexico, which would be allowed 40,000 each; a requirement that all job applicants prove they are either citizens or authorized aliens; and a requirement that the President establish within three years a "secure system to determine employment eligibility." The bill did not specify just what the system must be, but some have interpreted it as a call for national identity cards.

The chief opponent in the Senate was Edward M. Kennedy of Massachusetts, who argued that in many ways the bill restricted immigration instead of reforming it. He agreed with some Hispanic groups that opposed the measure on the ground that its "employer sanctions" could result in increased discrimination against Hispanic Americans.

Charges Against Pages Rejected

A House commission set up in July following charges of drug abuse and sexual misconduct involving members of Congress and teen-aged Congressional pages presented its findings last week. It recommended retaining the page system.

The commission was named by Speaker of the House Thomas P. O'Neill Jr. to determine whether the page system should be continued in light of assertions by some former pages that they had been pressured into having sex with members of Congress, some of whom were also said to have used cocaine. Representative Bill Anderson, the Arkansas Democrat who headed the commission, said there was no evidence to corroborate the sex and drug accusations and that the pages were in the main "hard-working, loyal, patriotic and God-fearing citizens."

Nevertheless, the commission recommended that the 100 high-schoolers who run errands for House and Senate members and who now live on their own in apartments around Washington be housed in a central dormitories with chaperones.

The Anderson group's findings jibed at least partially with those of the Justice Department, which said it was ending its investigation of sexual misconduct on Capitol Hill and concentrating on the drug-related charges, which apparently had more substance. Meanwhile the House ethics committee began its own investigation of the situation, an inquiry expected to take several months.

Feds Call It Quits on Jordan

When Federal prosecutors waltzed into South Bend, Ind., to try Joseph Paul Franklin on charges that he shot former National Urban League director Vernon E. Jordan, local officials opined that there was insufficient evidence to convict him. Last week a jury agreed.



Joseph Paul Franklin

Mr. Franklin, an avowed racist already serving four life terms for the sniping deaths of two black men in Salt Lake City, was found not guilty of using a high-powered rifle to deprive Mr. Jordan of his civil rights two years ago. The shooting occurred outside a Fort Wayne motel as Mr. Jordan left an automobile driven by a white woman who had organized a dinner at which he was guest speaker. The men Mr. Franklin was convicted of murdering in Utah were also in the company of white women.

With the verdict in, Justice Department lawyers pronounced the Jordan case "finished." In Fort Wayne, Allen County Prosecutor Arnold Duemling maintained that it should not have been started, saying the decision to try Mr. Franklin was "a deplorable example of bad judgment." The judge who heard the case said that to prove the civil rights charge prosecutors had to show not only that Mr. Franklin shot Mr. Jordan, but that he did so because Mr. Jordan was black and to prevent him from using the Marriott Inn in Fort Wayne.

That case is behind Mr. Franklin now, but there may be other trials ahead of him. He has been charged with the first degree murder of a black man and a white woman in Oklahoma City in Oct. 1979. After the Indiana verdict was in, Oklahoma County District Attorney Robert Macy said he would seek to have Mr. Franklin extradited.

"We do have the death penalty for first degree murder in this state," Mr. Macy noted.

Latest on MX: Dense Pack II

Last week came yet another basing scheme for the MX, the still-to-be-built intercontinental ballistic missile that nobody wants for a neighbor.

The Pentagon's latest notion is actually a refinement of a scheme floated several weeks ago. It calls for adding a number of embellishments, at undisclosed, but unquestionably great cost, to the cluster basing that has been depicted as a way to ensure that a deadly number of United States land-based missiles survived a Soviet first strike. The improvements, outlined in a closed-door Capitol Hill session by Secretary of Defense Caspar W. Weinberger, would include combinations of antimissile missiles, dummy burrows and silos dug deep into the side of mountains.

In theory, cluster basing or "dense pack" — stationing 100 missiles within an area of 10 to 15 square miles — would enable at least half the MX's to survive a missile attack. The shock and radiation effects of the first-arriving warheads would neutralize or deflect later-arriving warheads, or so goes the theory that critics say is so much unprovable nonsense. In any event, the Administration has yet to decide on its final basing proposal. The Pentagon is due to get recommendations from a wide variety of experts, including a civilian commission on Sept. 1; President Reagan may very well wait until after Election Day to announce a decision.

Meanwhile, the \$177 billion military authorization bill for fiscal year 1983 that Congress approved last week includes start-up funds for the MX. But the missile has some powerful enemies, including Representative Joseph P. Addabbo, head of the House defense appropriations subcommittee, who has said that more than \$10 billion has to be sliced from the Pentagon's budget.

Michael Wright, Carlyle C. Douglas and Caroline Rand Herron

Rodino's Panel Bucks Conservatives on Balanced-Budget Amendment, and Most Other Things

Down in the Liberal Trenches With the Judiciary Committee

By STEVEN V. ROBERTS

WASHINGTON — "Thank God," said Representative Don Edwards, Democrat of California, "that it is so difficult to get legislation and constitutional amendments through. Those old founding fathers really made it tough."

Indeed, they did, and for years, conservatives used Capitol Hill's tangle of legislative rules and procedures to block civil rights reforms and other proposals not to their liking. Liberals such as Mr. Edwards, constantly on the defensive since the 1980 election, are now using all those rules and procedures against a host of conservative measures. And increasingly, the liberals' chief base of operations — and sometimes its last line of defense — is the House Judiciary Committee, headed by Representative Peter W. Rodino Jr., a Democrat from Newark.

Mr. Rodino became something of a national figure in 1974 when he presided over the committee's nationally televised impeachment inquiry. Earlier this year, his committee produced legislation extending key sections of the Voting Rights Act. But for the most part recently, he has come to measure his success not in battles won, but in losses averted. Mr. Edwards, who heads the panel's Civil and Constitutional Law subcommittee, says the Judiciary Committee is "like the little Dutch boy, we've got our finger in the dike."

With time running out on the 97th Congress, the chairman and his liberal colleagues have given a high priority to trying to scuttle a constitutional amendment, approved by the Senate earlier this month, that would mandate a balanced Federal budget except during wartime.

Mr. Rodino and company may have succeeded. Last week, the Judiciary subcommittee on Monopolies and Commercial Law approved several changes that would make the House version of an amendment substantially different from the Senate measure, and then recessed

until next month. The subcommittee voted to require the President to submit a balanced budget, to modify the number of votes needed to permit deficit spending, and to drop a provision that banned tax increases to balance the Federal budget at rates higher than the general rate of growth of the economy.

Meanwhile, supporters of the amendment missed an unofficial deadline for obtaining the signatures they needed on a petition to send the amendment directly to the House floor. Senator Orrin Hatch, a Republican from Utah and sponsor of the measure in the Senate, said he and other backers might ask the President to call a special session of Congress this fall.

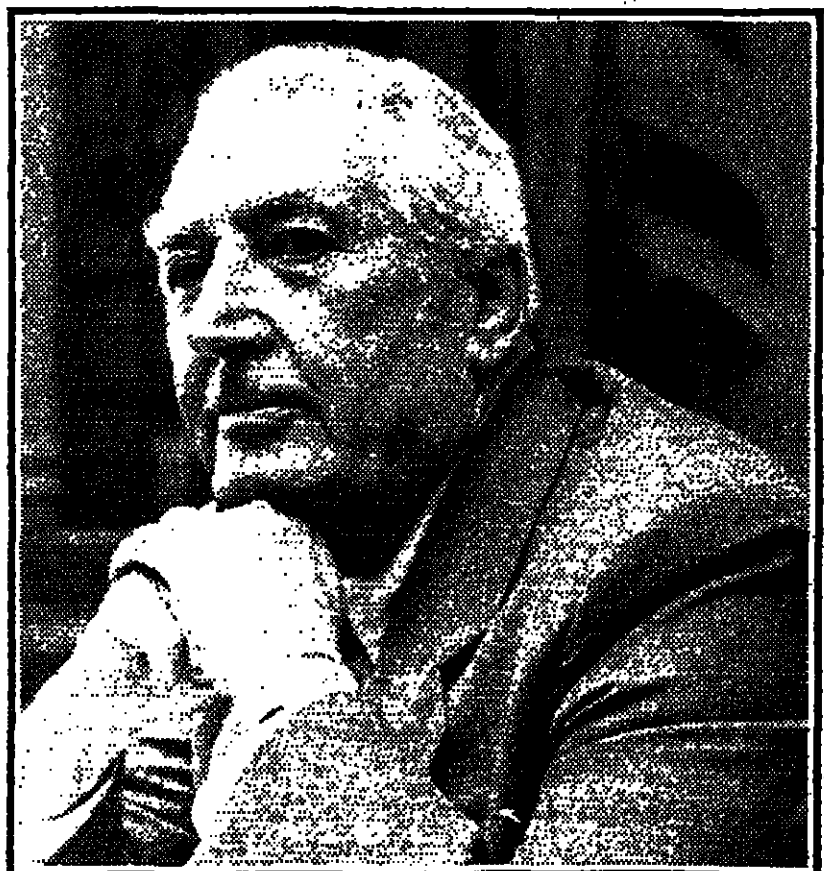
Slow Leak or Deliberate Bottleneck?

Mr. Rodino doesn't care for it to be said that he is "bottling up" legislation; he calls it all part and parcel of conducting "a very slow and deliberate process" designed to educate the public, as well as his fellow lawmakers. Nonetheless, if the balanced budget amendment should somehow clear the House, Mr. Rodino would try to ensnare the measure in a conference with the Senate, and hope that time ran out. "I just can't stand by," he said, "and see the Constitution made a mockery of."

The roster of controversial legislation languishing in the Judiciary Committee also includes:

- A bill, already passed by the Republican-controlled Senate, that would bar Federal judges from ordering school busing for purposes of integration. A Judiciary subcommittee has held hearings but has no intention of doing anything else. Advocates are circulating a discharge petition to force a floor vote, but they have little prospect for success.

- A variety of bills and constitutional amendments that would overturn Supreme Court decisions banning school prayer and legalizing abortions, both matters the subject of a filibuster mounted in the Senate by moderates and liberals last week.

The New York Times/George Thomas
Representative Peter W. Rodino Jr.

- Another Senate-passed bill to reform regulatory procedures. This bill has actually cleared the committee but has not been scheduled for floor action.

- Dozens of proposals to toughen criminal laws and procedures.

Critics have complained that the committee was holding up action on immigration reforms, but a spokesman for Mr. Rodino said, in view of last week's passage by the Senate, the committee would send the bill to the House

words of Representative Conable. Even Mr. Conable thinks a slow-moving Judiciary Committee is particularly valuable because it deals with issues that are "often more popular than thoughtful." But this has come to be such an unappealing assignment that the panel had to almost beg for new members after the last election. "These are controversial issues," notes Mr. Rodino, "and they are not issues that members can bring back to their constituents and say, 'I performed this service for you.'"

The Economy/Another Side to Lower Rates

Prospects

The Fed-Led Recovery

Tired of waiting for consumers to lead the economy out of recession, and perhaps doubtful that they could, the Federal Reserve Board now seems intent on doing the job itself.

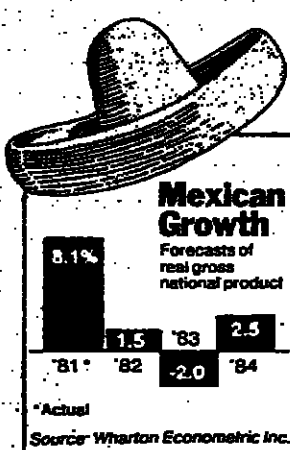
In conjunction with weakening corporate loan demand, the Fed has been injecting large sums of nonborrowed reserves into the ailing financial system, allowing interest rates to fall much faster than most analysts had anticipated even a few days ago.

It may be too soon to equate current developments with what went on in 1980, when interest rates tumbled, only to shoot back up again later. The declines that have occurred thus far, however, increase the likelihood of a sharp fourth-quarter rebound in the economy, said Edward Yardeni, chief economist at E. F. Hutton.

The risk, Mr. Yardeni added, is that rates might continue their free fall. If that occurs, inflation could pick up at some point, causing the Fed to tighten credit again. Mr. Yardeni said, aborting what otherwise could have been a sustainable recovery.

Mexico's Burdens

An international financial crisis involving payments on what could be as much as \$40 billion in short-term Mexican debt is likely to be avoided. Unlike companies,



countries do not go under. No matter what the prescription, however, solutions to Mexico's problems are not likely to be long-lasting. Political, demographic and economic factors suggest that Mexico and its creditors will be walking a tightrope for the rest of the decade.

For now, lower interest rates and a strong dose of fiscal restraint administered by the International Monetary Fund should help shore up the country's books. However, the Mexican

recession, which did not begin until the first quarter of 1982, is not likely to bottom out until sometime next year, said Patricia Schneider, a representative of the Mexican government.

But it's funny they don't vote that way. Why don't they? Because Congressmen fear experts, fear making a fool of themselves before all those generals—and the voters.

Congress has just passed the largest defense budget in its history. It involves sums so large that they embarrass even some of our most dedicated hawks. It contains funds for, among other questionable projects, the MX missile, B-1 bomber, Aegis cruiser and Pershing 2 missile. Most of the votes on individual weapons were not even close. A House amendment to delete funds for the B-1 lost, 257-142; the Pershing 2 won, 311-45, even though it is being rushed into production with a record of only one successful test firing, which came after the Army had, as the General Accounting Office put it, "altered the target area by replacing aluminum reflectors in a precise

Advice to Congress on dealing with the experts

some of those gains on new cars, Mrs. Keller said, in the fourth quarter this could rise to an annualized rate of 9 percent from levels she expects for the current quarter.

Kenneth N. Gilpin

The euphoria on Wall Street is, in many ways, a sign that tough times are ahead.

By MICHAEL QUINT

THE long-awaited drop in interest rates appears to be under way, or at least that was the good news from Wall Street last week. The decline in short-term interest rates, which began in late June, finally spread in earnest to the long-term bond market.

But the exuberance in the financial markets seemed to lack conviction that better days were ahead. In fact, the higher prices in the bond market could be construed as a celebration of hard times for the rest of the economy. The sad fact is that interest rates have stayed stubbornly high until nearly a third of the nation's manufacturing capacity was standing idle, unemployment was at a post-World War II high of 9.8 percent and the bankers were looking grim and weary from a growing list of domestic and foreign borrowers who were unable to repay their debt.

"The long-term trend in rates is definitely downward," said Robert Schwartz, an economist at Merrill Lynch Government Securities Inc. "But there are still some major problems."

Today's worries, however, are much different from those earlier in the year. Old reasons for expecting higher interest rates—inflation, excessive money supply growth that would prompt the Federal Reserve to keep credit tight and interest rates high and competition for credit between the private sector and the Treasury—have not disappeared, but they have faded.

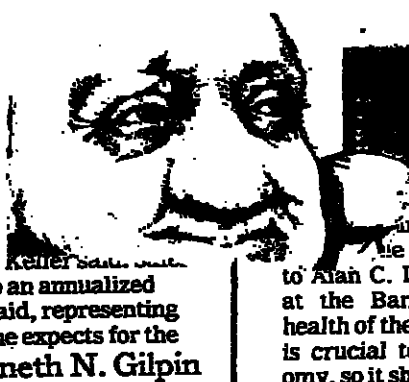
There is a new awareness that the business cycle is the fundamental arbiter of interest rates, and that right now business is bad. After two years in which credit was rationed by high interest rates, a dose of lower rates will no doubt bolster business and stave off bankruptcies, businessmen and

How then is the legislator to acquire the information needed to take on ex- as to exactly how the economy performs? The answer lies in the kind of bond to lower interest rates. experience that many Congressmen expect rates to rise if and when have had. They have spent a lot of time in the courtroom: 255 of 535 senators must be to start the

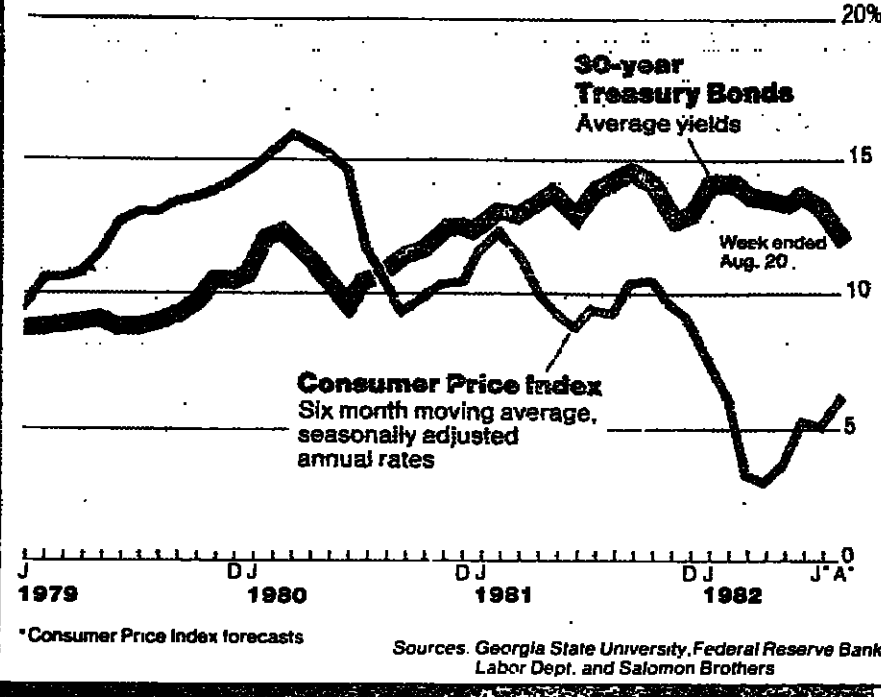
As trial lawyers they had to learn to as will continue to be erratic cross-examine the expert witness. g is widespread that the This meant learning enough about his ward. Robert H. Parks, an specialty—orthopedic medicine, say, consultant, said that rates —to ask the right questions about ather or not the Federal Re- lumbar fracture and to expose holes in money supply growth be- his testimony. To do this, they had to absence of any demand pull make "fools" of themselves—not in a long period ahead and in the courtroom or in public but in the and furious attack by their vast ignorance to other experts; they consulted about the questions to ask the witness.

As a trial lawyer, I learned two has not been of the same ven after last week's rally market that reduced the yield casury bonds to 12.12 per- percent, the bond yield re- bve the recent rate of infla- 6 percent, well below the levels of 1979 and 1980. And rate is widely expected to ore than 6 percent in 1983.

ence of nagging inflation, the being problem today is "the tra- financial system," according to Alan C. Lerner, senior vice president at the Bankers Trust Company. The health of the commercial banking system is crucial to any recovery in the economy, so it should come as no surprise that



Narrowing the Gap Between Inflation and Rates



the Federal Reserve's role as "lender of last resort" should take primary importance" over its job of controlling growth of the money supply, Mr. Lerner commented.

"I have never seen the management of this bank so worried about the business outlook," said the chief economist at another major New York City bank.

Predictions of business bankruptcies have been common in the past two years, and it now seems that the unprecedented period of high interest rates has proved those predictions correct. Some analysts worry that the growing volume of bad loans will make the banks more cautious lenders and thereby push other companies over the brink into bankruptcy. The drop in oil prices has found many banks exposed with poorly conceived loans to domestic companies, as in the failed Penn Square Bank of Oklahoma City. Mexico has been hard hit by declining oil prices, and loans to that country are the latest batch of questionable assets to come to light.

The Federal Reserve shares the concerns of others that the banking system is being stretched to its limits and that now is the time to provide liquidity in the market. To make sure that nobody misunderstands its intentions, it has reduced the discount rate it charges on loans to financial institutions in three separate one-half-point steps since July 30, to 10½ percent. Based on the recent 9 percent level for overnight bank loans in the Federal funds market, analysts say it is only a matter of time until the discount rate is cut again—to perhaps as low as 8½ percent by mid-November, according to economists at Money Market Services Inc., a San Francisco advisory firm.

The drop in short-term rates that the Federal Reserve has encouraged is crucial to the revival of the long-term bond market. Even while investors still shy away from long-term bonds because of uncertainty about inflation and interest rates years in the future, the recent decline of short-term rates to 9 percent and even less is a powerful inducement to buying longer-dated securities. Perhaps not 30-year bonds as in the past, but there has been heavy buying of notes due in two, five and 10 years.

The issuing of corporate notes and bonds reinforces lower short-term rates because companies use the proceeds to repay short-term borrowings from banks or in the commercial paper market. The reduced volume of bank lending tends to reduce money supply growth, which in turn allows the Federal Reserve to continue encouraging lower short-term rates.

The Fed has been able to encourage lower short-term rates overtly since late June because money supply growth has

slowed and is not expected to grow rapidly in the midst of a weak economy. At the very time when Federal Reserve officials have indicated a willingness to let the basic money supply grow slightly faster than the annual target of 2½ percent to 3½ percent, it has shown hardly any growth at all since April. The level of M-1, which includes currency in circulation plus demand deposits, may be near the upper end of the target range, but that is almost entirely due to an early January surge. Since then, money supply has grown at a sluggish pace that suggests a continuing recession, not a recovery.

While some economists are worried that a September bulge in money supply could lead the Fed to make credit scarcer in the banking system, thereby pushing up rates, others are worried that the Fed-

suspect. If the economy is so bad that interest rates will come down, then there is little reason to expect improved corporate profits and advancing stock prices.

"What I see now in the eyes of chief executives is more cutbacks, more slow-downs, more recession," said Mr. Rutledge of the Claremont Institute. In that kind of environment, he said, companies are not going to embark on large capital spending projects just because rates drop a few points.

How low can rates go? And how long before they begin to rise again? Mr. Kaufman, in his recent memorandum to portfolio managers in which he changed his forecast to predict lower interest rates, said: "Significant economic expansion will require further declines in interest rates and considerable time to unwind the major financial impediments." He warned that there could be "dramatic" increases in rates, but estimated that over the next 12 months long-term Treasury bond yields could fall to 9 or 10 percent, while overnight bank loans in the Federal funds market could fall to 6 or 7 percent.

The last time rates were at those levels was in June 1980, during a short-lived episode when the Federal Reserve was pumping money into the banking system when economic activity contracted sharply following the imposition of credit controls in March 1980. Later that year, money supply growth accelerated, inflation was excessive and the Federal Reserve reversed policy and began making credit scarcer in the banking system.

The result was a debacle in the credit markets. The price of long-term Treasury bonds fell 20 basis points, or \$200 per \$1,000 bond, as their yields rose to nearly 12 percent at the end of the year from 9½ percent in June. Many investors have not forgotten that experience and for that reason they are reluctant to buy long-term bonds.

"I'm uncomfortable" buying longer-term notes and bonds, said Richard S. Swingle, a vice president at T. Rowe Price Associates. "I got burned in 1980 and it could happen again."

"I'm uncomfortable" buying longer-term notes and bonds, said Richard S. Swingle, a vice president at T. Rowe Price Associates. "I got burned in 1980 and it could happen again."

eral Reserve's problem will be to keep growth from falling below target, not exceeding its target.

"The Fed is trying to ease, but there has to be somebody who wants to borrow" before lower interest rates have the desired stimulative effect on the economy, commented John Rutledge, chief economist at Claremont Economics Institute.

Another old fear that is subsiding is that heavy Treasury borrowings will compete with rising corporate credit demands for investor funds. Albert Wojniolow, chief economist at the First Boston Corporation, said that "growing Federal deficits will be no impediment to lower interest rates as long as there is no material or sustainable pickup in business."

That view was amplified by Henry Kaufman, chief economist at Salomon Brothers, who said that the need for corporations to raise funds externally will fall as capital spending plans are reduced and as corporations concentrate on paying back borrowings and restoring profitability.

Because of the grim outlook for the economy, many analysts say the stock market's recent gains, which accompanied the decline in long-term rates, are

said the need to maintain a yield that would be attractive to investors has required him to lengthen the average maturity of one bond fund to 13 years from 9.6 years at the end of June. The next step to preserve yield will be to buy corporate notes and bonds rather than Treasury issues.

Francis H. Schott, chief economist at the Equitable Life Assurance Society, pointed out that Treasury bond yields have declined only about two percentage points since late June, while short-term rates have fallen five percentage points or more, and concluded that "the long-term bond market is not yet a believer in disinflation."

The insurance company economist added that it would be entirely appropriate for the Federal Reserve "to assist the economic recovery" by encouraging slower short-term rates. Along with many other analysts, he said that the Fed has done a commendable job of controlling money growth and bringing down inflation, but that "there is no point in kicking a dead horse by tightening monetary policy." Even if the drop in rates led to a modest economic recovery with an uptick in inflation, he said the country has still made a good start toward a long-term decline in rates.

WEEK IN BUSINESS

Congress Passes \$98.3 Billion Tax Bill

Congress approved a \$98.3 billion tax package in a dramatic victory for President Reagan. In addition to establishing a 10 percent withholding tax on interest and dividends and additional levies on cigarettes and telephone calls, the bill would cut spending by \$17 billion over the next three years in such areas as Medicaid, Medicare and welfare.

International bankers rushed to create a financial program intended to save Mexico from financial disaster. Mexican officials met with leading New York banks during the week, finally obtaining consent to roll over some \$10 billion of Mexico's debt.

Occidental Petroleum took its \$50-a-share merger offer to Cities Service shareholders after Cities Service spurned its \$4 billion takeover bid. Cities Service stock soared Friday after indications that Amerasia Hess might raise the ante.

The Justice Department and A.T. & T. plan to accept changes set by Judge Harold H. Greene in the Bell antitrust settlement.

The economy grew at an annual rate of 1.3 percent in the second quarter, following sharp declines in each of

the previous two periods, the Commerce Department said. Meanwhile, corporate profits dropped modestly.

Citicorp won preliminary approval from the Federal Home Loan Bank Board to buy Fidelity Savings in San Francisco, despite opposition by California's banking establishment.

Personal income rose 1 percent in July, fueled by higher Social Security payments.

New housing starts surged in July to a seasonally adjusted average of 1.2 million units, the Commerce Department reported. The latest figure was the highest level since April, 1981.

New orders for durable goods rose \$2.4 billion, or 3.2 percent, in July, to \$76.9 billion. The increase was the first in four months.

The money supply fell \$100 million, to \$453.4 billion, in the week ended Aug. 11.

The method of licensing music for broadcast by television stations was struck down in a Federal court antitrust ruling. The ruling could significantly cut the more than \$80 million paid annually to Ascap and B.M.I.

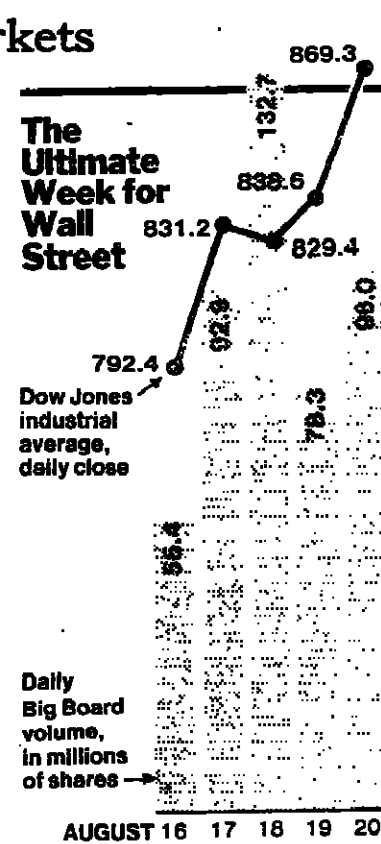
Tumult in the Markets

A break in interest rates catapulted the stock market into a euphoric burst that brought the biggest one-week gain ever. The Dow Jones industrial average shot up a record 38.81 points Tuesday and 30.72 points Friday to close at 869.29—81 points above last week's close. Volume on Wednesday hit 132.7 million shares, another record.

Market observers saw several explanations. Henry Kaufman, the Salomon Brothers economist, reversed his earlier forecast that interest rates would hit new peaks. Economic recovery in the second half, he said, was "unlikely to materialize."

Four major banks dropped their prime lending rate to 13.5 percent, the lowest rate since October 1980. The rate, which was 20.5 percent a year ago, had started the week at 15 percent.

Other rates plunged in a surging bond market. By week's end three-month Treasury bill rates fell to 7 percent, a two-year low. Yields of 30-year Treasury bonds slipped to 12.12 percent from 12.65 percent.



The New York Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED AUGUST 20, 1982

(Consolidated)

Company Sales Last Net Chng

IBM 6,141,000 68% + 5

Exxon 5,863,900 27% + 2

Sears 5,767,300 22 + 3%

G Mot 5,511,600 47% + 6%

ATT 5,102,200 56% + 3%

Citi Svc 4,866,000 45% +12%

Schlmb 4,753,300 34 - 1/4

Ga Pac 3,978,700 17% + 2%

Tandy 3,949,200 25% + 1%

Citicorp 3,856,300 24% + 1

N Ind PS 3,804,300 12% + 1%

K mart 3,503,100 19% + 3%

Wm Cm 3,481,700 38% + 1%

A Home 3,271,000 39% + 2%

A Hosp 3,230,700 33% + 3%

MARKET DIARY Last Prev.

Advances 1,866 816

Declines 180 1,042

Total Issues 2,133 2,090

New Highs 335 23

New Lows 121 405

VOLUME Last Week Year

(4 P.M. New York Close)

Total Sales 455,127,820 8,606,462,836

Same Per. 1981 229,546,649 7,484,059,383

WEEK'S MARKET AVERAGES Net

High Low Last Change

New York Stock Exchange

Indust 72.71 66.86 72.71 +5.89

Transp 55.34 50.88 55.34 +5.06

Utils 39.89 37.41 39.89 +2.75

Finance 64.58 60.07 64.50 +4.88

Composite 64.85 59.75 64.85 +5.11

Standard & Poor's

400 Indust 122.3 115.1 125.9 +10.28

20 Transp 18.8 16.3 17.8 + 1.58

40 Util 56.3 52.0 55.8 + 4.43

40 Financial 12.9 11.7 12.8 + 1.05

500 Stocks 113.0 102.5 113.0 + 9.21

Dow Jones

30 Indust 669.2 786.5 669.2 +81.24

20 Transp 328.1 296.3 324.0 +64.45

15 Util 116.0 106.8 116.3 + 9.05

65 Comb 332.7 304.3 333.6 +29.91

The American Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED AUGUST 20, 1982

(Consolidated)

Company Sales Last Net Chng

DomeP 8,670,100 33-16 + %

Walco 1,065,600 9% - 4%

StarrH 990,100 3% - %

Wang B 843,500 29% + 4%

TubEX 656,600 1 - %

RangRO 532,100 5% + %

ChampH 503,800 3% + %

GlCd 470,700 11% + 1%

ReerA 388,300 19 + 3%

MtchIE 385,100 10% + %

MARKET DIARY Last Week Prev.

Advances 624 195

Declines 179 581

Total Issues 919 913

New Highs 59 7

New Lows 87 203

VOLUME Last Week Year

(4 P.M. New York Close)

Total Sales 32,655,725 673,023,095

Same Per. 1981 29,400,200 870,419,560

The New York Times

Founded in 1851

ADOLPH S. OCHS, Publisher 1896-1935
ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVILLE D. DRYFOOS, Publisher 1961-1982

ARTHUR OCHS SULZBERGER, Publisher
A. M. ROSENTHAL, Executive Editor
SEYMOUR TSPING, Managing Editor
ARTHUR GELB, Deputy Managing Editor
JAMES L. GREENFIELD, Assistant Managing Editor
LOUIS SILVERSTEIN, Assistant Managing Editor
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JOHN M. O'BRIEN, V.P., Controller
ELISE J. ROSS, V.P., Systems

Rescuing the Rest of Lebanon

Philip Habib surely deserves the good night's sleep that Secretary Shultz prescribed for him, and far more. But it cannot be enough for the P.L.O. finally to pull out of Beirut. All the foreign armies must soon be induced to pull out of all of Lebanon. There are other, larger goals for American policy in the Middle East, but until the outsiders leave it will be hard to pursue any of them. If it is inhuman to expect more from Mr. Habib, President Reagan must quickly find another master negotiator.

Israel has paid heavily as its war aims widened. No doubt there is hypocrisy in condemnation of Israeli violence on the part of countries that have been mute about P.L.O. violence. Israelis must read with exquisite interest that some West German newspapers describe their invasion as a "war of extermination." Nonetheless, there is world anguish over the civilian casualties, anguish that has not yet exacted its full political price.

Whatever the extenuating arguments, Israel said initially that its forces would advance only 25 miles into southern Lebanon. Now they are virtually all over Lebanon. The longer they stay, the closer their alliance with the Maronite Christian forces becomes. And the closer that bond, the harder it will be to settle the older, deeper problem, the intramural Lebanon problem.

Though Lebanon is predominantly Moslem,

even its Moslem population consists of different factions. Though the Maronites are the largest group among the Christian minority, there are also Armenian and Greek Orthodox Christians. And even the Maronites are divided by clans, with separate private armies.

If an acceptable neutral state and army could be established, the Israelis and Syrians would have a lot less at risk and might be coaxed out. That's one reason for the United States to press ahead quickly with negotiations.

There's a second reason: the need to find a way to meet the permanent aspirations of the Palestinians. The P.L.O. may be leaving, but until the foreign soldiers are gone, progress on this larger Palestinian question will probably be impossible. Secretary Shultz may hope for movement through revival of the Camp David autonomy talks. Yet even if Israel is willing to talk while Lebanon remains in fragments, Egypt has already said it is not.

Getting the foreign troops out will require intense attention and the diplomacy of Mr. Habib or an equally adept successor. The obvious, appealing vehicle for such diplomacy is relief. There is blame enough to go around for its misery. Arabs and Israelis, Europeans and Americans should all share in a massive reconstruction effort. That effort can not only rebuild homes but also provide the basis for rebuilding a viable Lebanese government — and sending all the foreign troops home at last.

Tangling Over Textbooks

Texas is one of 22 states whose school textbooks are selected by a single committee, and when that committee met in Austin recently, 55 groups and individuals were also there to register objections to the books under consideration.

Among them were representatives from the D.A.R., and Mr. and Mrs. Mel Gabler whose textbook reviews are especially esteemed by Moral Majority and Phyllis Schlafly's Eagle Forum. But two chapters of N.O.W. also sent representatives; so did People for the American Way, a national group formed to oppose the religious right.

Texas spent \$51.5 million last year on relatively few titles. Though publishers deny it, others charge that its large market influences textbook choices nationally. In any case, the Texas committee's proceedings reflect the widening involvement of pressure groups in the selection process.

Only 20 years ago, the America depicted in most school textbooks had all the ethnic and social variety of an Andy Hardy movie. But as the 60's changed the country, so did they change its textbook image. Civil rights organizations, among others, pressed for an end to stereotypes and a recognition of America as a multiracial, multicultural society with a sometimes unpleasant past and a problematic future.

They succeeded, but not to universal acclaim. "That suicide is a leading cause of death in young people," said Mrs. Schlafly recently, "may be due to depressing textbooks."

Dog Days, Cat Naps

These are the August days when the hammock, suspended between sturdy trees, beckons to some, repels others. Those it attracts hope to escape the heated indolence of the day, the buzz of insects and the faint stirring of leaves, by lapsing into immobility. It will camouflage them as inert objects hardly worth the heat's attention.

Those repelled by the hammock would defy the heat. They run, hit tennis balls, paddle canoes or climb hills, pretending that the sweat pouring down their cheeks results entirely from their own efforts. The thermometer, their exercise tells them, means nothing.

Both responses are actually very similar. To find sleep in a hammock on a sweltering day requires an act of will as deliberate as buying a pair of running shoes. Disengaging from reality while the sun beats down through a fragmented awning of leaves requires a mental effort analogous to finding finger holds on a rock face.

Topics

Social Values

Prime-Time Verities

It seems to be an article of faith among people on the far right that television promulgates permissive, corrosive, even sinful values. Is the right right? An article in the new issue of *Channels* magazine provides some interesting evidence to the contrary.

The author, Walter Karp, sat down to watch 10 or so of the most popular prime-time television series of the year, like "The Dukes of Hazzard," "M*A*S*H" and "Three's Company." In case after case, he found that "moral and cultural traditionalism are ever victorious."

It is true that the programs frequently resort to sexual innuendo. And, as the author observes, the families depicted are often irregular, as with the female-headed households on "Alice" and "One Day at a Time."

But despite this social novelty, the author found that "the old moral verities always triumph, which is another way of saying that novelty and change are not so threatening after all."

The principal political value championed on the programs is "equal relations between ostensible unequals" — officers and enlisted men, tenants and janitor, restaurant owner and waitresses. That doesn't sound much like social subversion or filth; it sounds a lot like democracy.

Voluntarism

Some enterprises thrive on economic adversity. Community-based operations that collect leftover food for distribution to the poor, for example, are thriving now that the recession has expanded their market.

In Willimantic, Conn., the Elks Club has begun contributing leftover main dishes from its weekly dinners to a nearby soup kitchen. The New Haven Food Salvage Project, which gathers groceries from area supermarkets for a local food bank, doubled its intake between June and July. The surge in food salvage and soup kitchen business is also occurring in Washington, D.C., San Francisco and other cities.

In the abstract, the willingness of charitable groups to collect leftovers is a wonderful example of the volunteer spirit that President Reagan touts as the alternative to government handouts. Yet these humiliating substitutes for a shrunken food stamp program and truncated unemployment benefits in the midst of recession hardly symbolize the success of Reaganomics. They are a jarring reminder of its failure.

Letters

'We Must Do More Than Punish the Criminal'

To the Editor:

To regard the individual who commits a crime as a "victim" of his poverty or of his family's neglect, and therefore as someone to be helped rather than punished, is indeed "liberal cant," as Robert Nisbet argues in "No End to the Process of Creating Victims" (Op-Ed Aug. 15).

A belief in human dignity does imply responsibility for one's actions; and our modern willingness to try to understand all does not mean that we should forgive all. A horrible deed is no less horrible when we understand the causes.

However, when Nisbet speaks of the value of public executions in the past because such "punishment can exert its cathartic effect upon a community," he is limiting rather than deepening our moral concern. A cathartic effect may do something to free us from pity and fear, but in doing so it tends to obliterate our moral responsibility to do something to prevent crimes.

If we have a genuine concern about the moral values of the community, we must do more than punish the criminal; we must take whatever steps we can to prevent future crimes. And to do this, we need social scientists to trace

the connections between criminal actions and the previous history of the criminal as well as political liberals to ask society to take whatever actions are needed to prevent future crimes.

To take an obvious example, suppose we learned that children of criminals are more likely to commit crimes, but that they would be far less likely to do so if they were placed in better homes. Wouldn't it be our moral responsibility to at least consider this change where possible?

Just as Nisbet is correct in asking us to get rid of liberal cant, so he is mistaken in not recognizing that there is also a good deal of common sense in liberalism when it tells us that we exercise our sense of morality not only when we punish the criminal but when we do what we can to prevent future crimes.

LAWRENCE W. HYMAN
Ridgewood, N.J., Aug. 17, 1982

Slay Half the Problem?

To the Editor:

Robert Nisbet's article is a horrid "the sky is falling" masterpiece. It's complete with all the features of the genre. Wrought with generalization,

The Executive as the Executioner

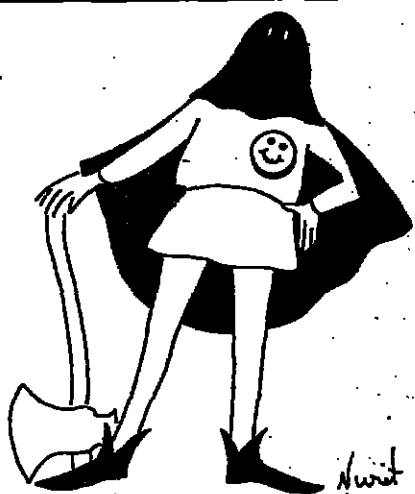
To the Editor:

Recently, the State of New Jersey quietly enacted a new death penalty law [news story Aug. 7]. The state, however, has not yet decided how to take the life of the condemned prisoner.

The Governor has proposed the injection of a "lethal but humane" solution into the inmate. Doctors, meanwhile, are refusing to participate in this "humane taking of life."

I propose the following: It is the Governor, alone, who has the power to sign a bill into law or to veto it. Likewise, it is the Governor who possesses the power to commute the sentence of a death-row inmate. Since the Governor is empowered to authorize the state to take a life or to save a life, it follows logically that the Governor ought to be the person who actually puts the inmate to death.

This modest proposal will cause a Governor who is in favor of the death penalty to participate actively in the



act of taking a life. Moreover, it will serve to humble those candidates who use the death penalty as an emotional campaign issue by forcing them to assume responsibility for their political rhetoric.

MICHAEL P. GOLDSMITH
New York Aug. 13, 1982

A Prelude in France To the Killing of Jews

To the Editor:

Reports of the recent attacks on Jews in France, which were claimed by the extreme leftist Action Directe (a group that also took responsibility for the murder of the Israeli diplomat Yaacov Barsinartov a few months ago), have overlooked an important factor.

Since the beginning of the hostilities in Lebanon, the Communist and left-wing press in France — whose combined circulation and influence is considerable — have waged a relentless campaign of vilification against Israel. The high-circulation organ of the French Communist Party, *L'Humanité*, has printed daily invented stories about Israeli atrocities, and the leftist *Liberation* was not far behind in its anti-Israeli virulence. The left-leaning *Le Monde* did not hesitate to publish full-page advertisements that contained undisguised anti-Semitic remarks.

In recent weeks, the terms "genocide," "holocaust" and "final solution" of the Palestinian people seem to have become commonplace in an important segment of the French news media. The well-known left-wing Catholic weekly *Témoignage Chrétien* proclaimed on the front cover of its June 21 issue: "The Palestinians in Beirut are like the Warsaw Ghetto fighters."

This feverish campaign benefited from some inflammatory remarks by Government officials, which indirectly compared the Israelis with Nazis, as well as from the pro-Palestinian slant in the Government-controlled French television networks.

It is therefore not surprising that, in an atmosphere charged with this unprecedented hostility to Israel, extremist groups would find the moment ripe for killing Jews.

HENRY H. WEINBERG
Associate Professor of French
University of Toronto
Toronto, Aug. 13, 1982



Joseph Paul Franklin

— would enable at least half of us to survive a missile attack. The shrapnel and radiation effects of the first arriving warheads would neutralize or deflect later-arriving warheads, as so goes the theory that critics say is so much unprovable nonsense. In any event, the Administration has yet to decide on its final basing proposal. The Pentagon is due to get recommendations from a wide variety of experts, including a civilian commission on Sept. 1; President Reagan may very well wait until after Election Day to announce a decision.

Meanwhile, the \$177 billion military authorization bill for fiscal year 1983 that Congress approved last week includes start-up funds for the MX. But the missile has some powerful enemies, including Representative Joseph P. Addabbo, head of the House defense appropriations subcommittee, who has said that more than \$10 billion has to be sliced from the Pentagon's budget.

Michael Wright,
Carlyle C. Douglas
and Caroline Rand Herron

Pipeline Opponents' Gift to the Kremlin

To the Editor:

It would be too tedious to refute point by point the collection of errors, half-truths and red herrings contained in William Safire's Aug. 12 column ("Seven Pipeline Points"), reprinted in *The Times* of London on Aug. 16 under the heading "Seven Deadly Misconceptions."

However, a new and dangerous element contained within that column is that, by participating in the Siberian gas pipeline project, Western Europe has chosen to strengthen ties with the U.S.S.R. at the expense of the NATO alliance. This is then followed by a

thinly veiled threat of withdrawal of U.S. troops from Western Europe if the pipeline project goes ahead.

It is important to recognize that Americans like Safire are determined to impose their will on Western Europe and prepared to stake the future of NATO on this project. Let it be made very clear to these Americans that it is not Western Europe that has picked this fight.

U.S. objections to the pipeline have not, as Safire asserts, been "treated with contempt"; they have been carefully and courteously answered, only for the Administration to raise a different set of objections based on ideology rather than fact.

The damage Safire and his ilk are inflicting on the alliance far exceeds anything the Soviets could achieve by their own propaganda or by withholding gas supplies from Western Europe. However, instead of trying to find ways to bring the two sides together, these people are intent on widening the breach.

It is hard to think of any action that will give Moscow more pleasure.

JONATHAN P. STERN
London, Aug. 16, 1982

Money for Puerto Rico Is Not the Answer

To the Editor:

Your Aug. 10 editorial "An Urgent Debt to Puerto Rico" was both accurate and insightful in its diagnosis of Puerto Rico's economic and social ills. It is surprising, therefore, that your conclusion should center on compensation, suggesting what amounts to a Puerto Rican raid on the U.S. Treasury.

Given the woeful dependency of Puerto Rican society on Federal transfer payments and tax exemptions, such compensation will not foster the construction of a genuinely Puerto Rican economy. A simple infusion of Federal funds now is likely to have the same results for Puerto Rico's problem that a shot of whiskey has for an alcoholic.

As has been cogently argued in the Op-Ed pages of *The Times* (April 14, 1981), Puerto Rico's problem is a colonial status that only initiatives from the U.S. will cure.

Such opinion is also the thrust of this year's U.N. Special Committee Resolution on Puerto Rico. Even if Congress is far from developing a pack-

age that specifies the mutual obligations and responsibilities for the three classic options of status, this remains the only true solution for the U.S. in Puerto Rico. As such, it is worthy of your support.

ANTONIO M. STEVENS ARROYO
Associate Professor of Puerto Rican
Studies, Brooklyn College
Brooklyn, Aug. 12, 1982

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FAIRBANKS, Alaska — Most Americans probably don't know what they have in this huge, staggeringly beautiful state with its nearly untold resources.

When I began to plan a brief visit to Alaska, for example, I realized I didn't even know where principal cities like Anchorage, Fairbanks and Juneau were, in relation to one another.

Everybody has heard about the huge oilfield at Prudhoe Bay on the north slope.

But how many know that Alaska also has enormous coal reserves, perhaps as much as the "lower 48" combined?

School children may learn that Mt. McKinley, at 20,320 feet, is the highest peak on the North American continent.

But you have to come here to realize that Denali — the Tenzing and Nupur Indian name for the mountain — is as mysterious as it is majestic, cloaked more often than not in dramatically swirling clouds, but a massive, sensed presence even when invisible from a few miles away.

Alaskans, most of them relative newcomers to the state, don't seem to be sure, either, of what they have on their hands — a sort of stop-time Eden in which the worst ills of modern industrial society can be evaded, or an economic bonanza waiting to be developed?

The short-term visitor, however, will almost surely be most taken with the grandeur of the land.

From a starting point at Anchorage (population about 200,000, the state's largest city), for example, two remarkable routes lead into the heart of that grandeur.

Southward, by an unobtrusive highway now interrupted for widening and repairs, the drive to Seward — once the main port of entry to Alaska's interior — winds down the Kenai Peninsula and through the Chugach National Forest, over some of the most

IN THE NATION

A Mighty Mystery

By Tom Wicker

stunning and unspoiled mountains on this or any continent.

At the head of the Turnagain Arm of Cook's Inlet — where in 1775 Captain Cook himself vainly sought the Northwest Passage — the vanished town of Portage is marked only by road signs and a few tumbled buildings remaining from the great earthquake and tidal wave of 1964.

This is glacier country, and from a nearby parking turnout four of these ominous bluish-white masses — Portage, Bear, Byron and Middle Glaciers — can be seen across an icy lake.

Portage Glacier, about 2½ miles away, is said to have reached down to

A visitor discovers the state of Alaska's staggering beauty

the parking turnout as recently as 1912 — a report lending chilling verisimilitude to that "greenhouse" theory that the glaciers are being melted by man's environmental heedlessness.

Beyond Portage, the road rises 988 feet in about two miles, from marshy wetlands at sea level to Turnagain Pass

and tundra colorful at this time of year with purple fireweed — which, when it stops blooming near the end of August, is an unfailing harbinger of the swift coming of the Alaskan winter.

Moose can sometimes be seen along the highway; with binoculars, pronged goats or bears might be spotted on the mountainside.

Rushing white water streams — Silverpit, Dry Gulch and Tenderfoot Creeks — evoke gold-rush days and are copious with trout, salmon, grayling. On every side the mountains rise green, brooding, timeless.

North from Anchorage, the Alaska Railroad offers a spectacular scenic trip of 233 miles and six hours to Denali National Park.

Backpackers may elect, instead, to take the slower "flag train," getting off almost anywhere they choose along the mountainous route.

The comfortable diesel-powered train moves along at a stately pace, around the Knik Arm of Cook's Inlet and up the valley of the Susitna River, as the road climbs from less than 100 feet above sea level to 2,645 feet at Broad Pass.

The Talkeetna and other mountains are in view all the way, and for more than a hundred miles the mysterious Denali itself is either visible or can be imagined within its swathing of clouds.

The railroad offers mountain travel the way it ought to be — slowly, through narrow canyons, between imposing peaks, close by sparkling lakes and rivers, at one point over a spectacular 918-foot bridge span weblike 296 feet above Hurricane Creek. In sharp contrast, an old miners' suspension bridge can be seen swaying low across the Chulitna River.

The rest of the route, from Denali Park to Fairbanks, is mostly unexciting, but never mind.

The trips already described are enough to impress Alaska — a mighty and mysterious as its mountains — indelibly on a traveler's mind.

WASHINGTON — On the basis of its first year and a half, it seems clear that the Administration has achieved significant progress in carrying out its economic-recovery program but that not all its objectives have yet been realized. It surely seems premature to claim success or to pronounce failure, as many critics have been attempting to do for most of these 18 months.

As I viewed it when I first joined the Administration — and still do today — the basic objective of Reaganomics is to shift the balance of power between the Government and the rest of society. In its fundamentals, that shift is to be accomplished by slowing down the growth rate of Federal spending, cutting tax rates, curtailing the burden of regulation and reducing the growth of the money supply.

The moral and conceptual foundations of this approach should not be ignored: the strengthening of individual freedom, in the belief that economic liberty is a key requisite for personal liberty. But the benefits of these actions are intended to be more than philosophical. The Reagan four-point economic program was developed to strengthen the economy — specifically to reduce inflation, increase economic growth and stabilize what had been a stop-and-go history of economic policy and economic performance.

What has occurred in the way of translating rhetoric into reality?

Specifically, important actions have been taken in each of the four areas. Tens of billions of dollars of reductions have been made in proposed Federal expenditures. Those unprecedented cuts (mainly reductions in proposed increases) have been made almost entirely in civilian programs. At the same time, however, an extremely rapid expansion in military outlays has offset much of the civilian spending cuts. Moreover, the continuing escalation of so-called entitlement outlays remains to be tackled. Meanwhile, many traditional subsidy pro-

Assessing Reagan's Economic Program

By Murray L. Weidenbaum

grams — such as dairy-price supports — continue to expand.

On the revenue side, the basic tax program has been enacted — a 25 percent across-the-board reduction in personal income tax rates over three years (instead of the original 30 percent) plus a major liberalization of business depreciation allowances. But during the legislative debates, quite a few expensive items of special-interest legislation were added, such as the ineffective "All-Savers Certificates."

The major accomplishment in the regulatory area has been undramatic. For the first time in decades, no new major regulatory activities were enacted or promulgated. In fact, many burdensome regulations were modified or rescinded. But the most important potential action has not yet been taken: renewal and reform of the Clean Air Act, the most economically far-reaching regulatory law on the statute books. The act deserves to be renewed. Yet there are many opportunities for constructive change in the environmental regulatory process — especially to introduce economic criteria to encourage regulators to seek the least costly alternative, an approach that rarely surfaces in environmental regulation.

Another aspect of Government intervention in business decision-making took a backward step in the past year and a half. Rising protectionist sentiment plus foreign-policy considerations have led to further governmental intrusions into foreign trade. These have ranged from informal limits on imports of Japanese cars to an embargo on United States firms participating in the proposed natural-gas pipeline between Western Europe and the Soviet Union. Pressures for further limits on imports — and special subsidies for exports — are very strong. Those protectionist pressures have been exacerbated by recession and the rise in the value of the dollar on foreign exchanges. The substantial strengthening in the dollar's world position since November 1981 reflects many positive and negative factors, including lower inflation, high interest rates and confidence overseas in American economic policy.

As for monetary policy, the Administration from the outset has supported the Federal Reserve System's effort to slow down what had been unusually rapid growth in the money supply. The Fed has in general accomplished that objective. But the unusual short-term volatility of the major measure of the money aggregate (M-1) may have contributed to the depth of the 1981-82 recession.

Thus, progress in carrying out the four elements of the Reagan economic program has been uneven. Not too surprisingly, the results in terms of economic performance have been mixed. On the positive side, the inflation rate has been halved, from about 12 percent in 1980 to less than 6 percent so far this year. This noteworthy accomplishment has been accompanied in the short run by recession and a rise in unemployment to 9.5 percent.

Surely the Administration never claimed that it could eliminate the business cycle. But some overly optimistic early rhetoric may have contributed to that expectation. In any event, a contraction of average size superimposed on an unusually high prior level of unemployment has resulted in the highest unemployment rate since the 1930's, hardly an accomplishment to crow about.

Simultaneously, interest rates have

remained much higher than expected. The prime rate has declined moderately, from 21 percent in January 1981 to 14 percent. Long-term interest rates have moved even more sluggishly. Closely associated, at least for much of the financial community, has been the rise in current and prospective budget deficits. The red ink reflects far more than the ephemeral effects of recession, which temporarily curtail revenues and expand social spending. Even when we look beyond the proverbial "valley" to the expected resurgence of strong economic growth, we find that the modest net reductions in budget outlays do not come close to offsetting the generosity of the tax cuts. Although helpful, the tax bill passed by the Congress will not fundamentally change things.

The basic imbalance in the budget is truly troublesome. For the next several years, Federal revenues are likely to be 18 percent of the gross national product, while Federal outlays will be 22 percent or more. Given the many burdens of taxation, this is not as much a justification for tax increases as it is for curbing expenditures of a magnitude comparable to the 1981 tax cuts.

For the next several years, the prospective triple-digit deficits are likely to be a serious impediment to growth prospects for the economy. Those deficits compete for investment funds that otherwise would finance private-sector expansion. Those deficits also create great uncertainty. Few can be sure that their favorite spending program won't be cut or their taxes raised or the deficit financed by printing money (and thus raising inflationary pressures).

Citizens' frustration with unbalanced budgets is generating growing attention to the possibility of amending the Constitution to require an annually balanced budget with an accompanying limit on revenue growth. An amendment, even if approved, will not eliminate the need to make difficult choices. Moreover, it likely would not take effect for about five years. Thus, in the shorter run and longer run there would still be the need to take many specific actions to reduce the Government's financing requirements. Those choices essentially involve increasing the Government's revenue base and/or tax rates, reducing the expected flow of Federal outlays, or some combination of those two steps. However, other facets of public policy can strongly influence the first two steps.

For example, stable and predictable growth of the money supply at a moderate pace can contribute to that stronger rate of economic growth that will simultaneously expand the revenue base and reduce the demand for unemployment compensation and other so-called entitlement programs. Similarly, reducing regulatory obstacles that discourage or delay capital projects can spur new investment and yield more rapid economic growth.

There is no guarantee that lower budget deficits will automatically result in lower interest rates or faster economic growth (and thus lower unemployment). Nevertheless, many actions that reduce budget deficits would help on at least one of those fronts. Surely, smaller flows of governmental outlays mean less diversion of resources from the private to the public sector and diminished pressures on interest rates. Similarly, stimulating subsidies and other forms of protection for various producer groups (business, labor, agriculture) yields an economy that is more efficient and more competitive in world markets. But each of these actions means facing opposition from beneficiaries of the status quo in the Federal budget — and facing them down.

As a participant in the budget review process, I am convinced that there are numerous opportunities for further economies in virtually every department and agency activity — military and civilian, urban and rural, transfer payments and direct outlays, loans and grants — potential cuts involving guns, butter and fat.

The continuing presence of high interest rates, large budget deficits, high unemployment and modest economic growth surely signals that, in our dynamic, complex economy, economic policy cannot be placed in automatic pilot. Rather, the successful conduct of that policy involves a continuing set of actions, in both the public and private sectors.

Looking back at the first blush of enthusiasm on the part of supply-siders and monetarists alike a year and a half ago, I must report that recent experience confirms traditional wisdom: There are no easy answers but only hard choices in economic policymaking. Yet, the more promptly and decisively those choices are made, the brighter the future prospects are likely to be.

Murray L. Weidenbaum is Chairman of the Council of Economic Advisers. On Sept. 1, he will resume his post as distinguished professor at Washington University, St. Louis.

Fear of Frying — Or, How Legislators Can Gain Confidence

By Charles Peters

WASHINGTON — "Almost everyone in the House has said that a lot can be cut from the defense budget," says Representative Patricia Schroeder, "but it's funny they don't vote that way."

Why don't they? Because Congressmen fear experts, fear making a fool of themselves before all those generals — and the voters.

Congress has just passed the largest defense budget in our history. It involves sums so large that they embarrass even some of our most dedicated hawks. It contains funds for, among other questionable projects, the MX missile, B-1 bomber, Aegis cruiser and Pershing 2 missile. Most of the votes on individual weapons were not even close. A House amendment to delete funds for the B-1 lost, 257-142; the Pershing 2 won, 311-45, even though it is being rushed into production with a record of only one successful test firing, which came after the Army had, as the General Accounting Office put it, "altered the target area by emplacing aluminum reflectors in a precise

tees, and from enlisted personnel drawn largely from the poorer, less educated, less influential sectors of the population.

How then is the legislator to acquire the information needed to take on experts? The answer lies in the kind of experience that many Congressmen have had. They have spent a lot of time in the courtroom: 255 of 535 senators and representatives are lawyers. As trial lawyers they had to learn to cross-examine the expert witness. This meant learning enough about his specialty — orthopedic medicine, say — to ask the right questions about a hummer fracture and to expose holes in his testimony. To do this, they had to make "fools" of themselves — not in the courtroom or in public but in the preparation stage, when they exposed their vast ignorance to other experts they consulted about the questions to ask the witness.

As a trial lawyer, I learned two techniques that I would commend to Congressmen. First, I would seek out doctors who were known to think that



Enchirings by Charles Briggs

Advice to Congress on dealing with the experts

geometrical pattern to insure that the area had a distinctive radar signature."

There are obvious reasons for this kind of Congressional behavior: Presidential pressure, skillful lobbying, generous campaign contributions by defense contractors, constituents' pressure to maintain or increase defense spending in districts that have become accustomed to it. But it is the not-so-obvious reason — fear of the experts — that I want to talk about here.

Only a handful of Congressmen have had active-duty experience in the modern military of the 1970's and 80's that would give them firsthand knowledge of what the armed forces really need and don't need. The same is true of their most articulate and influential constituents. Today's military is drawn not from them but from a professional officer class, with a career self-interest in avoiding self-criticism before Congressional commit-



the orthopedic witness was, if not an outright incompetent, certainly years behind in knowledge of his field. For a defense program, this would mean asking Air Force missile officers about Army missile programs they are known to dislike. I also learned to talk to a doctor's former patients. If the treatment he advocated as a witness had resulted in some poor soul's hobbling up to the stand as a rebuttal witness, the effect could be impressive. The comparable technique for Congressmen is to reach below the generals to the men who fire the guns, drive the tanks, fly the planes. Often they will tell all about the very defects the generals want to hide.

Journalists must learn this approach. Recall the last time you saw a network news panel interviewing Paul A. Volcker, chairman of the Federal Reserve Board. Was he vigorously cross-examined on technical issues, on broad monetary policy? Of course not. The intimidating fear of his dismissing the question with a condescending wave of his cigar was palpable. But if journalists don't learn to cross-examine experts, I fear for the Republic, not just because of what Caspar W. Weinberger and Mr.

Volcker will get away with but because it will mean that journalism is failing to perform the crucial role of treading where Congress fears to tread.

Take two national problems: Social Security and health care, clearly bankrupting budget-breakers of the future. Yet Congress doesn't want to face them because of the immense power of the two lobbies. Organized medicine consistently ranks among the largest campaign contributors; in addition, doctors are among the most influential people in their communities. The elderly are already the nation's largest special-interest group. No rational Congressman is going to take on these groups unless there is countervailing pressure from other constituents. Such pressure will come only when the media tell the public the facts. Unless the media inspire this kind of backfire from the public, no Congressman will perform the tough cross-examination that will allow him to match the right instincts Representative Schroeder mentioned to the way he or she actually votes.

Charles Peters is editor of *The Washington Monthly*.

Why Jews Were Silent

By Albert Vorspan

In fact, many of us have indeed spoken out — more than in any previous Israeli crisis. Yet for every one who has gone public, there are hundreds, no doubt thousands, who have swallowed their doubts and bitten their tongues.

Why this relative silence? Because — and this is my first answer — the situation is simply too asymmetrical. Israel has failed to live up to its own highest Jewish standards, and that breaks my heart. But is Israel alone to be measured by severe moral standards? Who judges Iran and Iraq, whose fratricide kills more people each day than were lost in the entire invasion of Lebanon? Who weeps for the thousands of Syrians massacred

by their own Government in Hama? Who condemns the cynical Saudis for bankrolling the mind-boggling P.L.O. arms cache that is supplied by the Soviet Union? Where is the Christian conscience on the P.L.O.'s savaging of Lebanese Christians? Why do the news media largely neglect the clear evidence that P.L.O. thugs raped and destroyed the Lebanese people and state that had, before the P.L.O.'s influx, co-existed in peace with Israel?

Yes, Israel should be judged; but it is not immune to criticism. But world opinion has been so intoxicated by the "romance" of the P.L.O. and the allure of Saudi Petrodollars that it has never lifted a finger to counteract the P.L.O.'s cancerous threat against the

Lebanese people and Israel's basic right to exist.

But, still, it is important for Mr. Begin and Mr. Sharon to know they do not have the automatic support of all American Jews. Now, then, do we send such a message — a message that will not be ripped out of context and misused by those who oppose not merely Mr. Begin's policies but Israel's very existence?

In an advertisement that said, "Menachem Begin Does Not Speak for Us," some 400 Jews in the San Francisco Bay area publicly expressed anguish over Israel's role in Lebanon. Soon afterward, a bogus full-page pro-P.L.O. ad, naming six relief agencies that later disavowed any connection with it, appeared in leading newspapers, wildly accusing Israel of killing and wounding more than 40,000 people. To support its case, it cited the 400 Jews of San Francisco.

My second reason is that I must wonder: Where are the dissenters of

conscience in the Arab world? Where are our counterparts? It is profoundly significant that the only large-scale demonstration against Israel's policies took place in Tel Aviv in the middle of the war. That demonstration was the ultimate tribute to Israel's democratic and moral values, just as American dissent during the Vietnam War redeemed the graininess of the United States.

It is not easy for Jews who, like myself, are joined — fused — emotionally and spiritually to the people of Israel, to camp on Israel in a world in which Arab rejectionism, United Nations lynch mobs, Western lust for Petrodollars, Soviet malevolence and constant thrashing by the media represent profound dangers to Israel's long-range survival.

Albert Vorspan is vice president of the Union of American Hebrew Congregations and director of its Commission on Social Action of Reform Judaism.

Arts & Leisure

Tel Aviv Festival Explores Today's Jewish Theater

By MARGARET CROYDEN

There was a time when the meaning of the phrase "Jewish theater" was clear. It referred to Yiddish theater, which started in the 1880's, and for several decades thrived in New York and in Eastern Europe, offering new plays in Yiddish, or translations (and sometimes transformations) of plays from other languages. But today, just as Jewish identity itself has become more fragmented and uncertain, so "Jewish theater" is becoming more difficult to define. Is it the Yiddish theater which continues to function tenuously in New York? Does it refer to theater done by Jews — or to plays about the ethnic, minority experience of Jews in the United States and elsewhere and the long history of diaspora Jews? Or is it Israeli theater concerned with the history and contemporary experience of that young country?

These were some of the questions posed and discussed at the first International Conference and Festival of Jewish Theater, held recently in Tel Aviv. The five day event, sponsored by Tel Aviv University's Department of Theater and two American-based foundations, the National Foundation for Jewish Culture and the Kinneret Foundation, consisted of 20 theatrical productions, four workshops and a series of films, seminars and lectures. It attracted actors, writers, directors and, in some cases, theater companies from the United States, Great Britain, India, Norway, Sweden, Germany, Venezuela and Argentina. Immediate history made its presence felt

Margaret Croyden writes on the theater and is completing a new book "Remembering and Forgetting" based on the Jewish experience in America.

in the form of the Lebanese war; the Festival was nearly cancelled at the last moment owing to the number of Israeli actors called to the army and it was boycotted by German actors, whose companies were represented by their directors. In a different way, the current events were also felt in the anti-war poetry of Yehuda Amichai, a prize-winning Israeli poet, which he read accompanied by the music of the American composer Elizabeth Swados, and which expresses the mourning of Jews in the face of death and war.

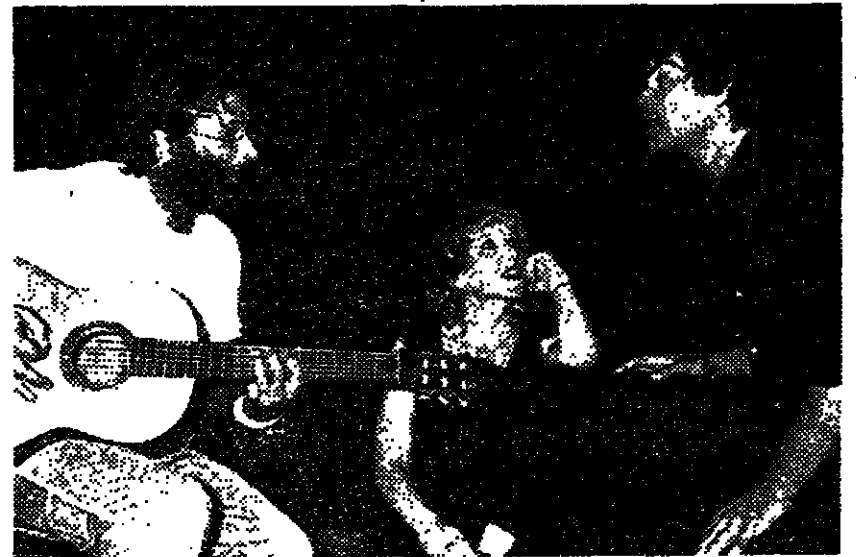
But the impact of the political situation notwithstanding, perhaps the most revealing lesson of the Festival was the variety of themes, perceptions and theatrical techniques used by artists trying to define and come to terms with the meaning of the Jewish experience and consciousness in today's world.

For some young American artists of Jewish descent, as well as theater people from European countries, the theater is a means of renewing their cultural identity, or even discovering it for the first time. As Abraham Atik, the executive director of the National Foundation of Jewish Culture observed, "Many Jewish artists in the United States are trying to find a connection to the past and to the meaning of the Jewish experience, which, as they have become assimilated has been lost to them." One actor said that he was proud of his ethnicity and wanted to express it artistically, just as the Blacks and Puerto Ricans do: "Dealing with the Jewish experience through a Jewish theater company is a way of remembering what has happened to the Jews and of being ever conscious of a possible repetition."

Israeli artists face different problems and questions. For one thing, they do not have to affirm their Jewishness in distinction to the rest of their society — although Israeli playwright Dan



Michal Govrin's "The Journey of the Year," above, is performed outdoors and "uses traditional sources in an unconventional way." "Imagining the Other (They)," below, commissioned by the Israeli group Neve Tzedek, is a dramatized confrontation between Israeli Arabs and Jews.



Horowitz, for example, felt that the population of Israel had become so large and so ethnically varied that many artists have to rethink their relationship to their individual heritage. But the main artistic challenge, as he saw it, is in Israel's search for a national culture — and that includes Israeli theater — typical of Israeli society and the Israelis' kind of Jewishness. Many of the Israelis attend-

ing the Festival also felt that although religious tradition provides a rich source of material for artists in dealing with contemporary problems, Zionist history and Zionist ideals can also be drawn upon.

Other playwrights and performers at the Festival said they were looking for spiritual reawakening through discovering their own roots and religion, and what better way was there to

make such a search than through one's work in the theater?

For many of the groups, the search for their own definition of a "Jewish experience" involves a search for appropriate theatrical forms as well — forms that, in many cases, attempted to mesh traditional themes and a sense of history with unconventional and avant-garde theatrical techniques. The degree of success varied from group to group, but the significance of the Jewish Theater Festival, Mr. Atik said, was to begin making such a search — to help artists find a "form for the expression of their Jewishness — their particular distinctiveness within the concepts of universalism."

One company representative of the effort to combine new forms with the traditional and mystical aspects of Judaism is "A Traveling Jewish Theater," an experimental group from the United States. Composed of only two actors and a director, the California-based troupe, says in its brochure that its purpose is to "give theatrical form to various streams of visionary experience which run, sometimes underground, through Jewish history and imagination." In Tel Aviv, three of their pieces were shown: "Coming From a Great Distance," a dramatized collage of ancient tales of Baal Shem Tov, a spiritual master of the 17th century who "carried the spirit of renewal into the lives of Eastern European Jews"; "Dance of Exile," which explores themes of Jewish exile and Jewish alienation through use of elements of the Spanish Cabbalist tradition; and "The Last Yiddish Poet," an exploration of the significance of the Yiddish language, and the humor and the tragedy of Eastern European Jews. Directed by Naomi Pollack and performed by Albert Greenberg and Corey Fisher, the productions were alive with contemporary devices such as puppetry, masks, spontaneous movements, and filmic collages. But these modernist techniques notwithstanding, the overriding visual images were distinctly connected with the sensibility and ambience of the East European shtetl, sometimes in a nostalgic and sentimental way. Though this may be a way for the actors of making connections with their heritage, it made for a somewhat limited frame of reference. But "A Traveling Jewish Theater" is only two years old, and may be working toward a larger perspective.

"The Journey of the Year," written and directed by a Hebrew University theater professor, Michal Govrin, also used traditional sources and ritual theater in an unconventional and highly effective way. "Unlike other ritual traditions," Miss Govrin said, "Jewish worship never underwent the process of theatricalization... owing to its prohibition in the ten commandments. ... A type of sacred theater did, however, manifest itself in Jewish worship: The use of rhythmic

words, and rhythmic movement, special speech, story telling, costuming, accessories and ritual objects (all within a fixed time and space) and a participating audience." This tradition, she feels, presents a "possibility to examine the theatrical aspects of Jewish ritual with a view to a new perspective for understanding ritual-theatrical expression within the Jewish ceremony."

"The Journey of the Year" expresses not only Jewish ritual, but the experience among Jews of the cycle of the Jewish year, commencing with Rosh Hashana (the New Year) until its end at Tish B'Av (the mourning of the destruction of the temple) and the coming of the New Year once again. The piece is performed outdoors, with the audience actually following the actors through "the stations of the holidays and festivals," each of which is depicted through traditional Jewish customs. Some holidays like Purim evoke a carnival scene, with food offered to the spectators. Passover is dramatized by family preparations for the great feast of the Seder, and by enacting the story of Moses on Mount Sinai on a high hilltop surrounded by small burning fires.

In using traditional sources, Miss Govrin involved the audience directly.

'For some, Jewish theater is a means of renewing their cultural identity.'

Children were especially responsive. Recognizing the holidays as part of their life experience, some even joined the cast to read from the Holy Scriptures. As in family celebrations during the holidays, one could feel the strong bond resulting from a common religious ethos and historical past.

On the other end of the spectrum among the Festival's presentations was "Imagining the Other (They)," a play dealing with a specifically Israeli and very contemporary subject. Commissioned by the Israeli group, "Neve Tzedek," and mounted by the American director Joseph Chaikin, the piece is a dramatized confrontation between Israeli Arabs and Jews who discuss and act out their cultural, social and political conflicts and persecutions from ancient times until today, each side "keeping score," as it were.

Performed in Hebrew and Arabic, the production was the result of a most unusual experiment: three Jewish actors, three Arab actors, a Jewish musician, an Arab musician, a Jewish writer-director, and an Arab writer-director worked collectively.

FILM VIEW

VINCENT CANBY

Henry Fonda's 'Effortless' Art

It is a measure of the particularity of Henry Fonda, who died 10 days ago at the age of 77, that it is always difficult to describe accurately what he brought to his performances that made him different from every other film and stage actor of his generation. As a leading man he was always a character actor, and as a character actor, always a leading man, even when showing up as Admiral Nimble in something as disposable as "Midway."

Except for "Young Mr. Lincoln" he never went in for much makeup. He didn't wear putty noses like Paul Muni. He wasn't the sort of romantic figure who could compete with Clark Gable or Cary Grant, though he was almost Mr. Grant's equal when it came to comedy. He could affect a drawl when necessary, but he didn't possess the distinctive mannerisms of James Stewart or the politically aggressive machismo of John Wayne.

Spencer Tracy was always more laid-back — more comically in charge of the circumstances around him — than Fonda who, even toward the end of his career, invested his performances with a kind of intensity that was forever youthful. Where James Cagney, in the recent "Ragtime" as in the early "Public Enemy," seems barely able to contain the energy of his personality, Fonda seems always to be harboring his, as if it wouldn't be good WASP form to let it show. And he didn't, not until his Oscar-winning performance in "On Golden Pond," which, though his energy must have been in short supply by then, is one of the most vigorous, most witty performances of his career.

He was such a good guy that when he played a bad guy — a thoroughly rotten, sadistic, murdering S.O.B. as he once did in Sergio Leone's "Once Upon a Time in the West" — we tended to side with him, assuming that this was the new order of the cosmos. It was one of Mr. Leone's darkest jokes.

The public personality of Henry Fonda was so modest, so steadfast and so self-effacing that too often we didn't recognize the decisions, the discipline and the intelligence that gave shape to his work. We mixed up the actor with the roles he played. We thought of him as the all-American boy of the pre-World War II generation, and those all-American boys didn't become actors. That was sissy stuff.

All-American boys stayed close to the soil ("The Farmer Takes a

Wife"), played cops-and-robbers ("Jesse James"), "The Return of Jesse James," protected hearth-and-home ("Drums Along the Mohawk"), honored mom ("The Grapes of Wrath"), fought injustice



("Mister Roberts") and occasionally became its victim ("You Only Live Once," "The Wrong Man"), and were astonishingly naive around women ("The Lady Eve").

In idealizing Henry Fonda in this way, we shortchanged the artist. However, that was very much the way films worked on the imaginations of those of us who grew up attending to the shadow-figures on movie screens in the 30's, 40's and 50's.

It was therefore something of a shock when I once heard him talk with passion, insight and a good deal of humor about acting. It was in the mid-60's in the course of an interview that had been set up in connection with a piece about Peter, Jane and Henry Fonda as an acting family, the "new" Barrymores, which they never really became or aspired to become.

Fonda's public relations man had arranged the meeting reluctantly since, he said, Fonda did not like to talk about his children and wasn't at all happy about some of the things they were then saying in public. Having been given a list of all of the things Fonda would not discuss, I entered the office where he was wait-

ing with a certain amount of apprehension.

"Well," he said, "what do you want to talk about?" He was, perhaps, the healthiest looking man I'd ever met. It was nothing that seemed consciously acquired. It just looked natural, as did the casual but expensive tweediness of his clothes. He was formidable not in manner but in physical perfection — I was not used to meeting movie stars.

I told him that I had originally been interested in what he thought about the then-burgeoning careers of Jane and Peter, but that I'd been warned that this was forbidden territory. He hesitated a second or two, sighed, laughed and then started to talk, and the supposedly shy, taciturn public personality didn't stop talking for more than two hours.

Among other things he recalled the first time he had seen Jane on the Broadway stage in, I think, a not-great play called "The Fun Couple." He had been the nervous parent, not at all sure that she was ready for the big time. The curtain went up, the parental panic increased and then suddenly, as he described it, he was aware that she had "taken off." She was safely inside the role and the performance was airborne.

There is, he went on, a magical moment early in each stage performance, no matter how many times one has done the role, when the actor either becomes airborne or remains unhappily earthbound, hoping that the audience doesn't know the difference. When he was aware that Jane knew what he knew, he didn't have to worry about her being an actress any longer. She was on her own.

Since that interview I've talked to a number of people who were associated with Fonda in various stage ventures and almost all of them have remembered the care — sometimes maddening — with which he prepared for his roles and his sometimes angry impatience with what he took to be the sloppy or the second-rate. Backstage he was not the benign father-figure we might like to have think he was. He was an artist who worked extremely hard to acquire his manner of effortless grace, which in films is sometimes bestowed by the camera but which, in the theater, is as impossible to fake as a high-C.

Fonda was not only a great film star, he was a great film actor. He lent authenticity to the good films and, somehow, was never seriously damaged by the bad ones.

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הכנסת לא של

THE HABIB PLAN

Below is the text of the August 20 State Department fact sheet on the plan for the departure from Lebanon of the Palestine Liberation Organization leadership, offices and combatants in Beirut.

1. Basic concept: All the PLO leadership, offices and combatants in Beirut will leave Lebanon peacefully for prearranged destinations in other countries; in accordance with the departure schedules and arrangements set out in this plan. The basic concept in this plan is consistent with the objective of the Government of Lebanon that all foreign military forces withdraw from Lebanon.

2. Ceasefire: A ceasefire in place will be scrupulously observed by all in Lebanon.

3. UN observers: The UN observer group stationed in the Beirut area will continue its functioning in that area.

4. Safeguards: Military forces present in Lebanon — whether Lebanese, Israeli, Syrian, Palestinian, or any other — will in no way interfere with the safe, secure, and timely departure of the PLO leadership, offices and combatants. Law-abiding Palestinian noncombatants left behind in Beirut, including the families of those who have departed, will be subject to Lebanese laws and regulations. The governments of Lebanon (GOL) and the United States (U.S.) will provide appropriate guarantees of safety in the following ways:

□ The Lebanese Government will provide its guarantees on the basis of having secured assurances from armed groups with which it has been in touch.

□ The United States will provide its guarantees on the basis of assurances received from the Government of Israel (GOI) and from the leadership of certain Lebanese groups with which it has been in touch.

□ The United States will provide its guarantees on the basis of assurances received from the Government of Israel (GOI) and from the leadership of certain Lebanese groups with which it has been in touch.

5. "Departure-day" is defined as the day on which advance elements of the multinational force (MNF) deploy in the Beirut area, in accordance with arrangements worked out in advance among all concerned, and on which the initial group or groups of PLO personnel commence departure from Beirut in accordance with the planned schedule (attached).

6. The Multinational Force (MNF): A temporary multinational force (MNF), composed of units

from France, Italy and the United States, will have been formed — at the request of the GOL — to assist the Lebanese Armed Forces (LAF) in carrying out their responsibilities in this operation. The LAF will assure the departure from Lebanon of the PLO leadership, offices, and combatants, from whatever organization in Beirut, in a manner which will:

(a) assure the safety of such departing PLO personnel;

(b) assure the safety of other persons in the Beirut area; and

(c) further the restoration of the sovereignty and authority of the GOL over the Beirut area.

7. Schedule of departures and other arrangements: The attached schedule of departures is subject to revision as may be necessary because of logistical requirements and because of any necessary shift in the setting of departure-day. Details concerning the schedule will be forwarded to the Israel Defense Forces (IDF) through the liaison and coordination committee. Places of assembly for the departing personnel will be identified by agreement between the GOL and the PLO. The PLO will be in touch with governments receiving personnel to coordinate arrival and other arrangements there. If assistance is required the PLO should notify the Government of Lebanon.

8. MNF mandate: In the event that the departure from Lebanon of the PLO personnel referred to above does not take place in accordance with the agreed and predetermined schedule, the mandate of the MNF will terminate immediately and all MNF personnel will leave Lebanon forthwith.

9. Duration of MNF: It will be mutually agreed between the GOL and the governments contributing forces to the MNF that the forces of the MNF will depart Lebanon not later than 30 days after arrival, or sooner at the request of the Government of Lebanon or at the direction of the individual government concerned, or in accordance with the termination of the mandate of the MNF provided for above.

10. The PLO leadership will be responsible for the organization and management of the assembly and the final departure of PLO personnel, from beginning to end, at which time the leaders also will all be gone. Departure arrangements will be coordinated so that departures from Beirut take place at a steady pace, day-by-day.

11. LAF contribution: The Lebanese Army will contribute between seven and eight army battalions to the operation, consisting of between 2,500-3,500 men. In addition, the Internal Security Force (ISF) will contribute men and assistance as needed.

12. ICRC: The International Committee of the Red Cross (ICRC) will be able to assist the GOL and LAF in various ways, including in the organization and management of the evacuation of wounded and ill Palestinian and Syrian personnel to appropriate destinations, and in assisting in the chartering and movement of commercial vessels for use in departure by sea to other countries. The liaison and coordination committee will ensure that there will be proper coordination with any ICRC activities in this respect.

13. Departure by air: While present plans call for departure by sea and land, departures by air are not foreclosed.

14. Liaison and coordination:

□ The LAF will be the primary point of contact for liaison with the PLO as well as with other armed groups and will provide necessary information.

□ The LAF and MNF will have formed prior to departure day a liaison and coordination committee, composed of representatives of the MNF participating governments and the LAF. The committee will carry out close and effective liaison with, and provide continuous and detailed information to, the Israel Defense Forces. On behalf of the committee, the LAF will continue to carry out close and effective liaison and coordination with armed groups in the Beirut area. For convenience, the liaison and coordination committee will have two essential components:

(a) supervisory liaison; and

(b) military and technical liaison and coordination.

The liaison and coordination

committee will act collectively; however, it may designate one or more of its members for primary liaison contact who would of course act on behalf of all.

□ Liaison arrangements and consultations will be conducted in such a way as to minimize misunderstandings and to forestall difficulties. Appropriate means of communications between the committee and other groups will be developed for this purpose.

□ The liaison and coordination committee will continually monitor and keep all concerned currently informed regarding the implementation of the plan, including any revisions to the departure schedule as may be necessary because of logistical requirements.

15. Duration of departure: The departure period shall be as short as possible and, in any event, no longer than two weeks.

16. Transit through Lebanon: As part of any departure arrangement, all movements of convoys carrying PLO personnel must be conducted in daylight hours. When moving overland from Beirut to Syria, the convoys should cross the border into Syria with no stops en route. In those instances when convoys of departing PLO personnel pass through IDF positions, whether in the Beirut area or elsewhere in Lebanon, the IDF will clear the route for the temporary period in which the convoys are running. Similar steps will be taken by other armed groups located in the area of the route the convoys will take.

17. Arms carried by PLO personnel: On their departure, PLO personnel will be allowed to carry with them one individual side weapon (pistol, rifle or submachine gun) and ammunition.

18. Heavy and spare weaponry and munitions: The PLO will turn over to the LAF as gifts all remaining weaponry in their possession, including heavy, crew-served, and spare weaponry and equipment, along with all munitions left behind

in the Beirut area. The LAF may seek the assistance of elements of the MNF in securing and disposing of the military equipment. The PLO will assist the LAF by providing, prior to their departure, full and detailed information as to the location of this military equipment.

19. Mines and boobytraps: The PLO and the Arab Deterrent Force (ADF) will provide to the LAF and the MNF (through the LAF) full and detailed information on the location of mines and boobytraps.

20. Movement of PLO leadership: Arrangements will be made so that departing PLO personnel will be accompanied by a proportionate share of the military and political leadership throughout all stages of the departure operation.

21. Turnover of prisoners and remains: The PLO will, through the ICRC, turn over to the IDF all Israeli nationals whom they have taken in custody, and the remains, or full and detailed information about the location of the remains, of all other soldiers who have fallen. All arrangements for such turnovers shall be worked out with the ICRC as required prior to departure-day.

22. Syrian military forces: It is noted that arrangements have been made between the governments of Lebanon and Syria for the deployment of all military personnel of the Arab Deterrent Force (ADF) from Beirut during the departure period. These forces will be allowed to take their equipment with them, except for that — under mutual agreement between the two governments — which is turned over to the LAF. All elements of the Palestinian Liberation Army (PLA), whether or not they now or in the past have been attached to the ADF, will withdraw from Lebanon.

SCHEDULE OF DEPARTURES:

August 21, 1982—Departure day:

□ The advance elements of the MNF (approximately 350 men) land at the port of Beirut at about 0500 and deploy in the Beirut port area in preparation for the initial departures of PLO groups by sea.

□ Meanwhile, the LAF deploys to previously agreed positions in the Beirut area, primarily in the so-called demarcation line area, to assist in the departure of PLO personnel. The LAF will take over positions occupied by the PLO.

□ The PLO will ensure that National Movement (NM) forces which had occupied these positions jointly with the PLO shall also withdraw.

□ As the day proceeds, the LAF will take up such other positions as necessary to assist in the departure of PLO personnel.

□ Meanwhile, the initial group of PLO personnel assemble in preparation for departure by sea later in the day (or on August 22). The vessel or vessels to be used for this purpose will arrive at pier on August 21.

□ The initial groups could include the wounded and ill, who would be transported in accordance with agreed arrangements — by sea or land or both — to their destinations in other countries.

□ The initial group or groups of PLO personnel destined for Jordan and Iraq would move from their assembly point to the waiting commercial vessel or vessels for onward transport by sea.

August 22:

□ All groups destined for Jordan or Iraq will have boarded ship and will have sailed from Beirut.

□ Duplicating the model followed on August 21, PLO groups destined for Tunisia assemble and move to the port of Beirut for departure by sea.

August 23:

□ All PLO personnel destined for Tunisia complete their assembly and embark on commercial vessel for Tunisia.

□ PLO personnel destined for South Yemen assemble and move to a vessel for departure then or on August 24.

August 24-25:

□ Assembly and departure by sea or PLO personnel destined for North Yemen.

August 25:

□ Provided that satisfactory logistical arrangements have been completed, the initial group of PLO personnel destined for Syria assemble and move overland via the Beirut-Damascus highway to Syria.

□ The advance French elements of the MNF already in the port area will have taken up such other agreed positions on the land route in the Beirut area as necessary to assist in the overland departure of the PLO personnel for Syria.

□ The LAF joins with the French in occupying such positions.

□ (If it should be agreed that these initial groups should go by sea to Syria rather than by land, this departure schedule also is subject to amendment to assure that logistical requirements are met).

August 26-28 (approximately):

□ The remaining forces of the MNF (from the U.S., France and Italy) arrive in the Beirut area and deploy to agreed locations as determined through the liaison and coordinating committee. This movement may be accompanied by the transfer of the advance French elements previously in the port area and elsewhere to other locations in the Beirut area.

August 26-27-28:

□ PLO groups destined for Syria continue to move — by land or sea — to Syria.

August 28 — September 4:

□ Turnover to the LAF of PLO weaponry, military equipment, and ammunition in a continuing and orderly fashion.

August 29-30-31:

□ Redeployment out of Beirut of the Syrian elements of the ADF.

September 1-4:

□ Completion of the departure to Syria — by land or sea — of all PLO or PLA personnel destined for Syria.

September 2-3:

□ Assembly and departure by sea of all PLO personnel destined for the Sudan.

□ Assembly and movement by sea of all PLO personnel destined for Algeria.

September 4-21:

□ The MNF assists the LAF in arrangements, as may be agreed between governments concerned, to ensure good and lasting security throughout the area of operation.

September 21-26:

□ Departure of MNF.

SENATOR JESSE HELMS, the godfather of America's New Right, the ultra-conservative political force which helped to bring Ronald Reagan to power, suggested a few days ago that the U.S. should consider cutting off diplomatic relations with Israel to punish it for sabotaging Washington's position in the Middle East by continuing its bombardment of Beirut.

Helms' statement came perhaps as a shock to a large group of American-Jewish activists who have been trying for several months to forge a new alliance between the Jewish community and the political and intellectual leaders of the New Right. The movement is several groups whose goals are a tough anti-Soviet foreign policy, the strengthening of America's military power and a weakening of the liberal basis of its social and economic system.

"The New Right is today the most pro-Israeli force in America," said Jacques Torczyner, the veteran Zionist leader. "At the same time, many American Jews don't share some of its social and economic views."

Last month Torczyner organized what he described as "a very exciting meeting" in Annapolis, Maryland between the main leaders of the New Right and several prominent American Jewish leaders. It emerged from that closed and unpublicized gathering that the representatives of the two groups

are in "almost total agreement on foreign-policy issues. We agree that Israel needs a strong America and America needs a strong Israel."

At the same time, according to Jerry Strobe, a Jewish activist who has been for several years a close aide on Israeli and Jewish issues to Jerry Falwell, president of the Moral Majority, "there are some domestic issues such as opposition to abortion and to several social programmes on which we don't feel as strongly as the New Right leaders."

In addition to Falwell, other "big shots" of the New Right who participated in the Annapolis meeting were Terry Dolan, executive director of the National Conservative Political Action Committee (NCPAC), whose organization was responsible for the defeat in the last elections of several liberal and pro-Israeli senators.

Other New Right figures at the meeting who, like Dolan, are among the most influential in the Republican Party today, were: Edwin Feulner, president of the Washington-based Think Tank, the Heritage Foundation; Richard Viguerie, publisher of the *Conservative Digest*; Paul Weyrich, director of the Committee for the Survival of a Free Congress; Howard Phillips, director of the Conservative Caucus and the only prominent Jewish figure among the New Right leaders.

One interesting figure who also took part in the meeting was Secretary of the Interior James Watt, who angered many Jewish

Forging an alliance with the New Right



Jacques Torczyner: "The New Right is today the most pro-Israeli force in America."

By LEON HADAR/New York

"The operation was perceived by the participants as a major victory for American strategic interests in the area and a great defeat for Soviet clients," said Torczyner.

THERE IS STILL a major ideological gap between the majority of American Jews and the ultra-conservative views of the New Right. This might explain the fact that most of the Jewish leaders who took part in the Annapolis meeting do not want their names known, since it might harm their position among the members of a basically liberal Jewish constituency.

Indeed, Strobe noted, one of the New Right leaders did not hide his disappointment over the liberal positions held by many American Jews.

"He told the Jewish participants 'I'm perhaps one of the strongest and most enthusiastic supporters of Israel in this country, but still

American Jews consider me a political enemy when it comes to many domestic issues. That's very frustrating."

As an illustration of this point, I was shown a letter sent to Jewish women voters by Dorothy Binstock of B'nai B'rith. This characterizes the views of the New Right as "outrageous, bigoted, self-

righteous." Even worse, it says that the B'nai B'rith women "recognize the historic importance of this moment in history, when the twin evils of sexism and anti-Semitism have converged in the form of an ultra-conservative religious movement," and calls on recipients to mobilize their political force to combat the political influence of the New Right.

The disappointment of the pro-Israeli leaders of the New Right at this kind of attitude in the Jewish community was reflected recently in an interview conducted with NCPAC executive director Jerry Dolan for the liberal Jewish magazine *Moment*.

Dolan describes himself as "very pro-Israeli, or alternatively, very

anti-Arab," and asserts that "at least since 1948 there has been no truer ally to the U.S. than Israel." But, American Jews are not returning the New Right's love of Israel, he suggests, "are more interested in being liberals than they are in being Jews. Thus, Dolan told *Moment* interviewer Aaron Rosenbaum, most conservative politicians do not see much political advantage accruing from their support for Israel.

"It's one of my biggest complaints about Jews: that there is absolutely no reason politically for a conservative to be pro-Israeli or pro-Jewish. If you're a conservative, you can't count on any votes from Jews because of your position on Israel."

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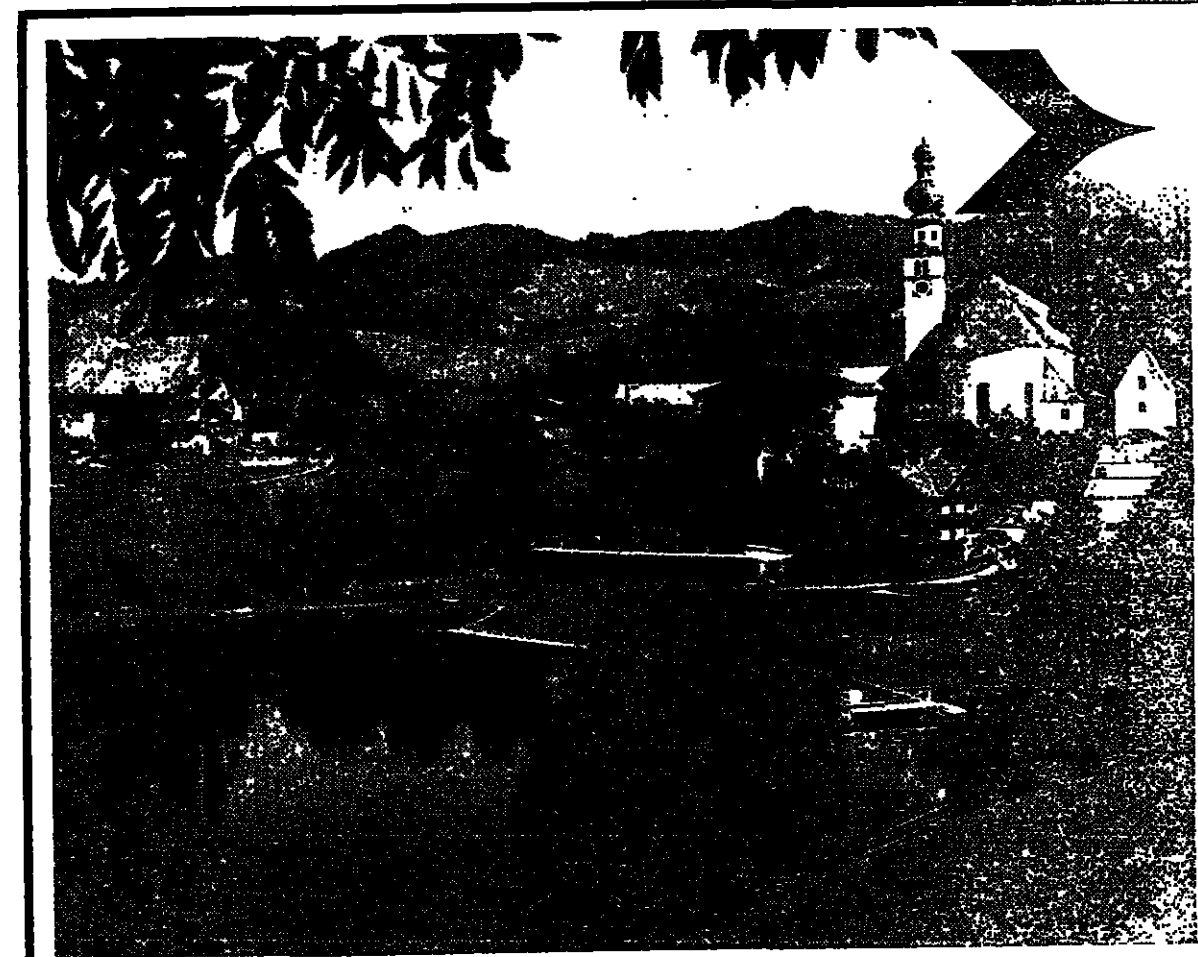
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Sports

Russians forge ahead

CALI, Colombia (Reuter). — The Soviet Union has taken the lead in the finals of the world basketball championships after a resounding 143-76 win over host nation Colombia here on Saturday night.

Yugoslavia, the reigning world champions, upset Spain 108-91 and still have a strong chance of retaining the title in the final game on Saturday. This despite the fact that they were beaten on Friday night by the United States. Glenn Rivers led the way in the surprise American upset notching 20 points. Yugoslavia's Dragan Kicanovic led all scorers with 24 points.

The Soviet Union, led by Valdis Valters' 22 points and 2.2m. Vladimir Tkatchenko's towering defence, had earlier overwhelmed Canada 114-83.

Australia scored the first six points in their game with Canada and never trailed, as they went to record another surprise scoreline — a 84-78 victory for the Aussies.

Israeli juniors lose opener

Post Sports Reporter
Israel's junior basketballers went down 100-77 on Saturday night to Spain in their opening match of the European Youth tourney being played in Bulgaria. The Israeli youngsters who were really no match for the talented Spanish combination had trailed 58-44 at half-time.

Other results from Israel's group: Italy 101-Hungary 89; Soviet Union 93-Finland 72.

Lundquist breaks own world record

INDIANAPOLIS, Indiana (AP). — Steve Lundquist broke his own month-old world record in the 100-metre breaststroke on Saturday night at the U.S. swimming championships here. Lundquist, 21, was clocked at 1 minute, 25.3 seconds bettering the former world mark of 1:02.62 he had set on July 19.

A member of the 1980 U.S. Olympic team, he also won the 100-breaststroke at the world championships in Ecuador earlier this month. Saturday night's victory was his ninth national title.

Grand Prix off because of war

By JACK LEON
Post Sports Reporter.

RAMAT HASHARON. — The Israel Tennis Centre has called off its scheduled fifth annual autumn Grand Prix tournament here, because the war in Lebanon finally made it impossible to find local sponsors for the meet.

The event was planned for the October 4 to 9 Succot holiday period, ITC Executive Director Ian Froman told *The Jerusalem Post* on the weekend. It has been agreed with the men's International Professional Tennis Council — organizers of the Volvo Grand Prix circuit — that prize money this time would be increased from \$50,000 to \$75,000, plus a bonus pool of \$11,000.

The council had been informed of the cancellation, and of the ITC's intention to put on a Grand Prix tournament again in 1983.

The annual tournament was inaugurated in 1978 and quickly established itself as a highlight of the local sporting calendar, attracting as it did an entry of up to 50 overseas players from some 20 countries to the well-appointed Ramat Hasharon facility.

With the ITC suffering an unprecedented \$35,000 deficit at last year's Grand Prix due to poor attendance, sponsors for the 1982 meet were hard to find, even before the start of Operation Peace for Galilee. Uncertainty about both potential backers and players because of the war in Lebanon had



Ian Froman

ended all chance of running a tournament this year.

Froman said that, important though Grand Prix events were in popularizing tennis in Israel, the ITC Board of Management feared that it would suffer an even bigger loss if it had decided to go ahead with the meet as scheduled.

The Board did not feel such a risk was warranted, bearing in mind that the real function of the Tennis Centre was to bring the game to as many boys and girls as possible through its youth training programme. Since the opening of the Ramat Hasharon facility in 1976, some 30,000 youngsters have passed through the ITC's eight centres from Kiryat Shmona to Arad.

Froman also stressed the difficulty of attracting top-class players to a small \$75,000 event, with the proliferation of men's Grand Prix and World Championship Tennis tournaments every week, each carrying prize money of between \$100,000 and \$300,000.

The ITC is planning another "special event" for next spring. Froman said, following the success of two previous tournaments in this category — a round-robin with four competitors in 1981, and a friendly international match between Israel and France last April.

Nothing has yet come of an ambitious scheme mooted by Sabrina and Gali — both very active in the field of tennis promotion here, — to sponsor jointly a Ramat Hasharon Grand Prix to the tune of \$200,000. In conjunction with the ITC, Sabrina is also hoping to sponsor the first Women's Professional Tennis tournament to be held in Israel.

Juniors in capital

TEL AVIV. — The Israel Tennis Association's 1982 National Junior Summer Championships got under way yesterday at the Jerusalem Tennis Centre courts in the Katamon quarter.

The Discount Bank-sponsored meet, which has an entry of 450 boys and girls from Kiryat Shmona to Eilat, marks the first major national meet to be held at the Jerusalem courts since their inauguration just a year ago.

Thrilling Open struggle

Post Sports Reporter

CAESAREA. — A great rally over the final nine holes of the Israel National Open Golf Championships on Saturday thrilled a large crowd, which included Kirk Douglas, Teddy Kolek, "Moca" Limon and Yitzhak Ofek, the chairman of the Israel Olympic Committee. Kirk Douglas presented the prizes at the end of the tournament.

With nine holes to go in the 72 hole tournament, 23-year-old Gidi Golan of Haifa was one shot ahead of Alfredo Lega, the Consul for Colombia and the former South American Amateur champion, and three strokes ahead of 22-year-old Gilie Mandelstam of Caesarea.

Golan continued to play steady, faultless golf, but his two opponents were suddenly inspired. A remarkable birdie on the difficult 16th hole enabled Lega to come in with a 37, giving him a total of 315.



Actor Kirk Douglas presents the Israel Open golf trophy to Alfredo Lega after the Colombian diplomat's two-stroke triumph at the Caesarea course this weekend.

Mandelstam also lifted his game when the crunch came and finished two strokes behind Lega, one ahead of Golan.

Mandelstam and Golan were selected at the end of the tournament to represent Israel in October in Hong Kong, in the qualifying Asian section of the World Cup tournament.

Hungry Liverpool

LONDON (Reuter). — Liverpool worked up a healthy appetite for the season ahead when they reclaimed possession of the Football Association (F.A.) Charity Shield with a 1-0 win over Tottenham at Wembley on Saturday. The game was a poor one technically, and was marred by a fight.

A 33-minute goal by Welsh striker Ian Rush was enough to give Liverpool the shield for the sixth time in nine years in the traditional pre-season meeting of the league champions and F.A. Cup winners.

Liverpool, who also won the League Cup last season, are now in possession of three of English football's four trophies. And, judging by the way their players jealously eyed the F.A. Cup, which Tottenham showed off at Wembley, Liverpool will not be content until that, too, is in the Anfield trophy room.

Golden Fleece retires to stud

LONDON (Reuter). — Epsom derby winner Golden Fleece has ended his racing career and has been retired to stud, trainer Vincent O'Brien announced yesterday.

The unbeaten son of Nijinsky, owned by millionaire football pools boss Robert Sangster, contracted a virus after the Derby, which took a long time to clear, and then developed a slight lameness in the right hind leg which had troubled him before the Epsom climax.

O'Brien said that although Golden Fleece was now back at work following the two injury setbacks, there was not enough time to prepare him for the remaining important races of the season.

Ryan striking it hot

NEW YORK (AP). — Nolan Ryan pitched a five-hitter and earned second place on the all-time strikeout list while leading the Houston Astros to a 5-3 decision over the Montreal Expos in Saturday's American League action.

Ryan, 33-9, flirted with a major-league record sixth career no-hitter, but that ended with two out in the fifth when Chris Speier and Doug Flynn hit back-to-back singles that scored Tim Wallach, who had walked with the Expos' first run.

The 35-year-old right-hander struck out five, giving him 3,433 career strikeouts. Walter Johnson leads the all-time list with 3,508, while the Seattle Mariners' Gaylord Perry is one strikeout ahead of Ryan at 3,434.

National League			
Eastern Division			
	W	L	Pct.
St. Louis	70	52	.574
Philadelphia	64	58	.527
Pittsburgh	64	58	.527
Chicago	53	72	.424
New York	50	71	.413
Western Division			
	W	L	Pct.
Los Angeles	69	55	.556
Atlanta	66	56	.541
San Diego	65	58	.528
San Francisco	60	61	.496
Houston	57	65	.467
Cincinnati	47	76	.382

Saturday's Games			
Houston 4, Montreal 3	San Diego 4, Chicago 2	Philadelphia 10, Pittsburgh 9	Atlanta 6, New York 5
St. Louis 7, San Francisco 6	Chicago 3, San Diego 2	Los Angeles 1, Pittsburgh 0	Pittsburgh 6, Philadelphia 5
Atlanta 2, New York 1	San Francisco 9, St. Louis 7	Houston 4, Montreal 3	10 in.

Friday's games			
Chicago 3, San Diego 2	Los Angeles 1, Pittsburgh 0	Pittsburgh 6, Philadelphia 5	Atlanta 2, New York 1
San Francisco 9, St. Louis 7	Houston 4, Montreal 3	10 in.	

American League			
Eastern Division			
	W	L	Pct.
Milwaukee	71	50	.587
Boston	65	56	.537
Baltimore	65	57	.533
Detroit	62	59	.512
New York	60	60	.500
Cleveland	55	60	.482
Toronto	59	64	.480
Western Division			
	W	L	Pct.
California	70	52	.574
Kansas City	70	52	.574
Chicago	64	57	.529
Seattle	59	63	.484
Oakland	56	68	.452
Texas	48	70	.408
Minnesota	43	79	.352

Saturday's games			
Milwaukee 4, Cleveland 3	Oakland 12, Boston 5	Toronto 1, New York 1	Kansas City 4, Chicago 3
Baltimore 6, Texas 6	California 13, Detroit 1	Milwaukee 5, Seattle 2	

Friday's games			
Cleveland 7, Milwaukee 5	New York 4, Toronto 2	Kansas City 13, Chicago 2	Baltimore 6, Texas 6
Detroit 3, Chicago 2	Oakland 4, Boston 3	Milwaukee 5, Seattle 2	

TWO-IN-ONE CROSSWORD

CRYPTIC PUZZLE

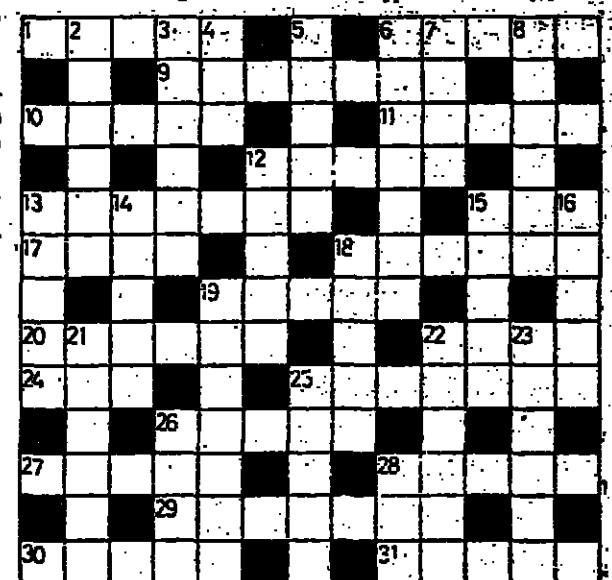
ACROSS

- 1 Make the police? (5)
- 2 Take tales to edit (5)
- 3 Revolutionary recording, very formal (3,4)
- 4 David's copy of "6 Across" (5)
- 5 Get new weapons back a lot (5)
- 6 Birds from the land of new zeal? (5)
- 7 Doctor embracing a little saint! (7)
- 8 Is he on the short side? (3)
- 9 One or many (4)
- 10 Programme of business for a general attorney (6)
- 11 Prepares drawings? (5)
- 12 Encouragement to a drinking companion? (6)
- 13 Certain to switch us about (4)
- 14 A bit bothersome? Not him! (3)
- 15 Animals, shy, with peculiar toes (7)
- 16 Of doubtful odour (5)
- 17 Puce jumpers (5)
- 18 Bad stain in material (5)
- 19 Rich, mostly through breaking the law (7)
- 20 Trade-mark ironed on? (5)
- 21 A hot rhyme for a vessel (5)

DOWN

- 1 It's nothing to change a point from choice (6)
- 2 Letters to revise, we believe (6)
- 3 Is it smaller than the elver? (3)
- 4 Some wild decoits, indifferent to pain (5)
- 5 Jumps streams (7)
- 6 Thirty letters? (4)
- 7 Fearfully apologetic? (6)
- 8 Dispatches with skill (5)

Use the same diagram for either the Cryptic or the Easy puzzle.



- 13 Cockney lady from the Netherlands (5)
- 14 He sounds young for a pit worker (5)
- 15 Points out the front end (5)
- 16 Daily fruit? (5)
- 17 Displease a girl and some boys (5)
- 18 Spoke well of a spider, possibly (7)
- 21 Has a real chance to serve as a doctor? (6)
- 22 So light an article on a former queen (6)
- 23 Enjoy something saucy (6)
- 24 A pronouncedly cool country (5)
- 25 Young fan out West (4)
- 26 But not too bashful to have one's fling (3)

Yesterday's Cryptic Solution

ACROSS. — 3, H.A.B.-it. 8, Local 10; Rumps. 11, O-a-k. 12, Strip. 13, Straky. 15, Sugar. 18, Ore. 19, Depute. 21, Hummer. 22, Die-t. 23, Beta. 24, Jet-fies. 26, Chas-ER. 29, Mar(rev). 31, Teno-R. 32, Can't-e-en. 34, A-swas. 35, Ran. 36, Drake. 37, Car-Ry. 38, Sylph.

DOWN

1, Boots. 2, Make out. 4, Arty. 5, i-rises. 6, Top-up. 7, Spat. 9, Cor. 12, Shes. 14, Alm. 16, Ge-le-s. 17, Regal. 19, Duzman. 20, Edict. 21, He-ma. 23, Ben-can. 24, Jersey. 25, Jan. 27, Heart. 28, Soaks. 30, Her-y. 32, Carp. 33, Far.

Yesterday's Easy Solution

ACROSS. — 1, Beat. 8, Orbit. 10, Pence. 11, All. 12, Amber. 13, Intents. 15, Asser. 18, Not. 19, Skewer. 21, Screams. 22, Hope. 23, Harp. 24, Speller. 26, Pocket. 29, Lea. 31, Sleep. 32, Pendant. 34, Ether. 35, Im. 36, Belle. 37, Andes. 38, Start.

DOWN

1, Brand. 2, Silence. 4, Elms. 5, Speaks. 6, Terse. 7, Scree. 9, Bit. 12, Attempt. 14, Nor. 16, Saver. 17, Tripe. 19, Smaller. 20, Shops. 21, Spice. 23, Heading. 24, Septet. 25, Ten. 27, Older. 28, Keels. 30, Inner. 32, Fear. 33, And.

EASY PUZZLE

ACROSS

- 1 Means of bees (5)
- 2 Shades (5)
- 3 Writers (7)
- 4 Tempest (5)
- 5 Homeric epic (5)
- 6 Corner (5)
- 7 Vending (7)
- 8 "de Janeiro" (3)
- 9 Victim (4)
- 10 Flaw (6)
- 11 Cruel king (5)
- 12 Hazzard (6)
- 13 Be sore (4)
- 14 Letter (3)
- 15 Speak brokenly (7)
- 16 Viscous (5)
- 17 Boundary (5)
- 18 Mountain tops (5)
- 19 Coagulate (7)
- 20 Untidy (5)
- 21 Snake (5)

DOWN

- 2 Shriveled (6)
- 3 Seldom (6)
- 4 Silent (3)
- 5 Object (5)
- 6 Sang tremulously (7)
- 7 Capri, for instance (4)
- 8 Calamitous (6)
- 9 Wrath (5)
- 10 Shovel (5)
- 11 Inclines (5)
- 12 Respond (5)
- 13 Different (5)
- 14 Slightly mad (5)
- 15 Well (7)
- 16 Have ambition (6)
- 17 Wait upon (6)
- 18 Disturb a speaker (6)
- 19 Overgarment (5)
- 20 Poses (4)
- 21 Vegetable (3)

Solutions to today's puzzle

tomorrow

WHAT'S ON

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Israel Museum, Exhibitions: Permanent Collection of Judaica, Art and Archaeology: Art for Honour's Sake, human in contemporary art, Old Gods and Young Heroes, Persian collection of Maya Ceramics; Statements in Colour, contemporary photography; Jewish Treasures from Paris, from collections of Cluny Museum and Consistoire; On the Surface, approaches to paint and canvas in art of our time; Toys and Games in the Ancient World (Rockefeller Museum); Chaim Kiewe, new paintings; Gift of M.C. Escher's graphic work (until August); Special Exhibit: Islamic Armour (Rockefeller Museum); Special Exhibit: Adornment of a Jewish Bride, according to tradition of Herat, Afghanistan; Special Exhibit: Gifts to Eliahu Dobkin Pavilion for Ancient Glass; Special Exhibit: Throne Legs Cast in Bronze, from Samaria, 6th-4th B.C.E.; Special Exhibit: In memory of Baroness Alia de Rothschild, selection of jewelry. Patents, Israeli products.
Exhibition (for children): Touch: Artists' Tribute to Bertha Urdian; Special Exhibit: Menorah by Tel. based on electronic feedback and vibration.
Visiting Hours: Main Museum (10-5, At 11: Guided tour in English, 10.30 and 3.30; "The Circus" (Charlie Chaplin) film, 11 and 4; Free performance for children, "The Tamed Animals" with Tarnegol Theatre (free with admission ticket); 12.30 Art films, "Images, Art Nouveau, Kandinsky, Ernst, Lege, Steinberg (free with admission ticket); 3.30: Special guided tour of Archaeology Galleries.
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Elastic but breakable

THERE IS, as Secretary of State Shultz said at a press conference in Washington on Friday, "a lot of room within the Camp David language" for "different interpretations." These interpretations are certain to come out, and noisily clash, if the U.S. does what President Reagan pledged it would do now that the Lebanese war appears to be drawing to an end — which is to move "quickly in the context of Camp David to resolve the Palestinian issue in all its aspects, as well as the other unresolved issues in the Arab-Israeli conflict."

The question is whether some interpretations may not stretch the admittedly very elastic text of Camp David to the point where it snaps, and becomes useless.

Israel's own understanding of Camp David is summarized in the Likud government's policy guidelines, issued just over a year ago.

"The autonomy agreed upon at Camp David spells neither sovereignty nor self-determination." This is unexceptionable. The final status of the territories is indeed to be settled under Camp David before the expiration of the five-year transition period jointly by Israel, Egypt, Jordan and "the elected representatives of the inhabitants of the West Bank and Gaza." This means that each one of the participants is to have the right of veto over decisions.

Thus it is wholly unwarranted to claim, as Egypt does, that the Arab residents of the territories should, under Camp David, enjoy the right of self-determination, which may override the wishes of the other parties.

This does not, however, rule out the possibility of the eventual emergence of a Palestinian state in the territories. Nothing, in fact, is ruled out in advance. Under Camp David, all options are supposed to remain open pending the final settlement. It is, therefore, puzzling for Israel's government to state categorically that "the autonomy arrangements set down in Camp David are guarantees that under no conditions will a Palestinian state emerge in the territory of western Eretz Yisrael."

The only sense in which this is true is that a Palestinian state will not emerge before the end of the autonomy period. But the Palestinian state may well be placed, along with Israeli sovereignty and a territorial arrangement with Jordan, on the agenda of the talks on final status that are to start not later than the third year of the autonomy. The government, however, is evidently not planning to enter into such talks at the prescribed time.

"At the end of the transition period...Israel," the guidelines state, "will raise its claim and act to realize its right of sovereignty over Judea, Samaria and Gaza."

How Israel will "act to realize" its claim of sovereignty, except by raising it, is not specified, but the plain suggestion is that Israel will have the right, under Camp David, to force its own favoured solution, based on the proposition that, as the guidelines put it, "the right of the Jewish People to Eretz Yisrael is an eternal right that cannot be called into question, and which is intertwined with the right to security and peace."

In fact, Israel, as the government sees it, does not have to wait so long to start realizing this claim. The instrument for its realization is, obviously, settlement. "Settlement in Eretz Yisrael is a right and an integral part of the nation's security. The government will act to strengthen, expand and develop settlement." Thus, even if Israel's partners ultimately refuse to sanction its sovereignty claim, the process of the incorporation of the territories into Israel will have become practically irreversible.

Some of Premier Begin's confidence in the acceptability of this recipe for Palestinian autonomy, at least to the U.S., must have come from Mr. Reagan's remark, during the presidential election campaign two years ago, that Israeli settlements in the territories are not illegal. From which Mr. Begin deduced that, to President Reagan's mind, they are entirely legal, and quite proper.

Mr. Reagan has now sought to correct that impression. In Mr. Reagan's view, Mr. Shultz recounted on Friday, the question is not whether the settlements are legal or illegal but whether they are "constructive in the effort to arrange a situation that may, in the end, be a peaceful one and be one in which the people of the region can live in a manner that they prefer." His answer to that is no. "Expansion of those settlements is not a constructive move."

Mr. Reagan's view, needless to say, is not binding on Mr. Begin. But it should perhaps be given some weight if the intention is not to keep Camp David as a mere incantatory formula but to make it into a workable means of reaching an agreement on the autonomy and to forestall the search for an alternative solution.

Opinion

Love thy neighbour

By REUVEN HAMMER

THE RECENT degradation of certain passengers thought to be part of Agudat Yisrael by the self-appointed vigilantes of the El Al workers was unforgivable. Only people devoid of historical sensibility and lacking human, to say nothing of Jewish, feeling could have shamelessly perpetrated such actions. They should be brought to court and made to pay damages for the very real injury inflicted upon these people. The very idea that one can judge people by their dress or that Jews are to be singled out on the basis of the degree of their observance is forbidden and innately abhorrent.

However, these are not the only unforgivable actions in our society. Making the Tora a spade with which to aggrandize oneself is also unforgivable. So is desecrating Jewish graves. So is using force to prevent archeologists from doing their proper, legal, work. So is bursting into enterprises illegally to investigate their kashrut. So is refusing to serve and defend one's country. So is taking an inordinate amount from the public purse to fund particularist causes. So is preventing other Jews from the free expression of their Judaism. So is accepting religious coercion as the price of political power.

The Aguda, and others, must begin to realize that there is a price to pay for forcing one's demands upon an unwilling public and for wringing unwarranted concessions

from the government through political blackmail. That price is inevitable: hatred of, and disgrace to, the Jewish religion, i.e., *Hilul ha-Shem*.

THE WORKERS were indeed wrong and what they did unforgivable; but some of the feelings they expressed are undoubtedly present in one form or another among the majority of the population. As one who reveres tradition, it hurts me to hear, as I frequently do, people expressing feelings of actual hatred toward the *dolim*, not always bothering to distinguish among Neturei Karta, Aguda and others.

Do the Aguda leaders realize how deep the resentment is in this country over the fact that so many of them and their children do not serve in the army while their institutions receive vast sums of money to educate people toward non-Zionism? It is difficult to prevent such resentment from developing into hatred when a person feels that he and his children are risking their lives so that others can live comfortably in *kollelim* subsidized by his tax money. Such a situation cannot continue for long.

WE MUST, of course, protest loudly when Jews discriminate against other Jews as the El Al workers did. We must not permit our people to be split and destroyed. But we, as a sovereign nation, a free people,

have certain rights and we must begin to exercise them. We must demand equity in the use of public money. We must assert that this is a democratic state and not a theocracy. Our state is based on Jewish values, but the determination of how these values are to be expressed in our laws must be decided by the will of the people. Tradition will never be accepted and never be observed unless those who espouse it learn to win people's hearts. We need a generation or two of gentle *Hillels* to counteract the damage done by the fanatics of our time.

Finally we, as a sovereign state, have the right to demand military service of everyone as the obligation and the privilege of citizenship. There is no reason why a yeshiva student cannot serve and then continue his studies. Many religious students already do so. There is no reason why a religious girl cannot at least do national service for the same two years demanded of others.

Do we really lack the courage to demand this? If our political system has created this monster, then we must change the system. If Aguda is truly wise, it will change its ways and its image willingly for the glory of the Tora.

FROM THE VIEWPOINT of a religious man, I am troubled because we have cheapened the Tora and sold our tradition for nothing. If war is too important to

Dry Bones



be left to generals, then religion is too important to be delivered up to self-appointed sages and guardians of the Tora. Judaism is greater than they are.

If we do not want more, ugly incidents, provoked by one side or the other, we had better find a way of bridging the gaps that divide us, of restoring the true meaning of Judaism, and of preventing those who pretend to represent it from

taking advantage of it and thus robbing us all of our rights.

We must speak to secularists and to the religious and remind them all that "Love thy neighbour as thyself," by not doing to him what is hateful to you is the supreme teaching of Judaism, to which all can and must subscribe.

The author is a member of the faculty of the Jewish Theological Seminary of America in Jerusalem.

GUIDING PRINCIPLES

By HERTZEL FISHMAN

Jerusalem, the major thrust of his remarks was a denunciation of Jewish religious pluralism. By implication, he disparaged the commitment to Halacha of Conservative Judaism and openly undermined Jewish solidarity and true *ahavat yisrael*.

However, as angry as one might be at these non-religious actions expressed in the name of the Jewish religion, even simple Jews must feel only contempt for the action of the El Al workers' committee in forcefully separating religious from non-religious Jewish passengers, and preventing the former from boarding their planes at Ben-

Gurion airport. In this way they sought to protest against the Aguda's influence on the decision of Israel's democratic government to shut down El Al's operations on the Sabbath.

The psychological associations abused by their action — while Israeli police looked on — sent a shudder through value-oriented Zionists.

For years the latter have been complaining that the Jewish state does not educate its citizenry toward any authentic Jewish national standards, but allows for a pattern of educational inertia that has permitted the growth of *latitudes*

faire individualism — what ever is good for the private Jew and his immediate group.

That the age-long national and historic institution of Shabbat has been downgraded in the Jewish state to a partisan squabble between the Aguda and the El Al workers and their allies points up the weakness of Israel's school system and its public media.

The national purpose of Zionism, the historic goal of Judaism, the educational ideals of *ahavat yisrael* and *Shabbat*, have been swallowed up by the selfishness and materialism of Israelis who follow the normal *galut* mentality of

promoting individual priorities, mostly materialistic, over national interests.

IT IS spurious to argue that the survival of Israel's national airline depends on El Al's Shabbat flights (with their 450 per cent Shabbat-work bonus). All international travellers know that many airlines have varying schedules for different days of the week. If, indeed, the Ben-Gurion Airport belongs to the sovereign Jewish state, and not to a small self-interest group, then it should function in keeping with the historic consistency of Jewish national culture and ideals. Except in unusual cases, no plane — of whatever airline — should land or take off until the end of Shabbat. One can preserve Shabbat as a national-religious institution, and still service international flights, all of which come from or go to Europe, on Saturday night. Foreign airlines will cooperate because they are clearly interested in serving passengers, not in sticking stubbornly to a current Saturday schedule.

Let no government minister raise the dubious cry that "Tourism will suffer." There is no reason why this should happen, and the claim itself is specious. This country was built to perpetuate the Jewish people and its culture, not to strengthen the tourist industry.

But in point of fact: wouldn't the tourists who land or take off on Saturday — the great bulk of whom are Christian — have far greater respect for our society if they are made aware that the Jewish people has not only been restored to its political sovereignty, but to its national culture and religion as well?

It is time for the leaders of Israeli society to remind themselves of the guiding principles of the Jewish state, and to put them into practice.

The writer is a representative of the Conservative Movement in the World Zionist Executive.

READERS' LETTERS

ANTI-SEMITISM IN SWEDEN

To the Editor of The Jerusalem Post: Sir, — I refer to the letter of August 8 by Dr. Franklin H. Littell on the subject of utterances of Mr. Olof Palme, Chairman of the Social Democratic Party of Sweden. While in no way defending Mr. Palme's utterances, I want to set the record straight and give some background.

First of all, Mr. Palme is definitely no anti-Semite and has proved himself many times in delicate and important matters, both international and domestic. However, one of his foremost goals seems to be the will to play an international role; he certainly took and probably takes his UN mandate as mediator between Iraq and Iran very seriously and maybe hopes to go to even greater tasks or achieve highest honours. This could have been the reason for the withdrawn invitation to the Israel Labour Party to the May 11 celebrations in Stockholm this year. Whilst understanding the shock this caused in Israel, one could certainly argue that the matter could have been handled in a wiser way by the Israel Labour Party while naturally not just swallowing the slur.

As it turned out, however, Mr. Palme and the party were severely criticized in the Swedish press, also by several Social-Democratic papers and an important part of the party's leadership. Mr. Palme certainly did not like this, especially in an election year, and this very intelligent and very capable man was carried away by his frustration and also by his own eloquence when giving political speeches, especially after the war in Lebanon had started. In some way, Mr. Palme has reneged on his more offensive

words, but, sadly enough, great a politician as he may be, he is not great enough to go back on his utterances in a clear and open way.

The comparisons made by Mr. Palme and some newspapers have resulted in an open letter published in a number of Swedish newspapers this very week. The letter is a protest against the comparisons while at the same time expressing deep anguish and sorrow over the sufferings of civilians in Lebanon. It is signed by a number of Holocaust survivors from all walks of life including some very famous people. It is followed by some 30 Swedish-born people, including four members of the

Swedish Academy, judges, professors and priests.

This letter of protest was certainly necessary. It seems to me that similar protests are, unfortunately, but not surprisingly, necessary in many countries.

I believe we have to prepare ourselves to fight growing and, in the eyes of some, permissible manifestations of anti-Semitism. We should do so with all our might, but we must not lose hope by comparing the situation to the thirties.

LEON GERSON
Chairman,
Solidarity Committee for Israel
Stockholm

TOMATO EXPORTS

To the Editor of The Jerusalem Post: Sir, — With reference to Yitzhak Oked's excellent article of August 2 concerning the glass house tomato debacle, I am shocked that Agrexco dismisses the opinion of the people in Germany who sell our produce. Agrexco should learn that the customer is always right. It is insulting to suggest that these people "must have got the Israeli tomatoes mixed up."

Most of the blame concerning the mess we are now in with the export of glass house tomatoes, can be put squarely on the shoulders of Mr. Ben-Meir.

Unfortunately, your headline does not convey the whole truth: not only the farmers are losing money. Every ton of fruit exported this year costs the taxpayer approximately \$1,000 in direct subsidies. As for these new and better

varieties of tomatoes, our Director of Agriculture is "pushing" luckily only 50 per cent of these were chosen for export this year. I shudder to think what your average readership's tax burden will be like at some future date should Mr. Ben-Meir's dreams be realised.

The truth is that these "new and better" varieties of tomatoes are just a bad joke and their wholesale promotion by Mr. Ben-Meir is costing this country its reputation as a purveyor of quality fruits and vegetables.

EDWARD PERETZ
Sde Nitzan

VOLUNTEERS NEEDED IN HAIFA

To the Editor of The Jerusalem Post: Sir, — One place where volunteers are still needed — and urgently — is the Recuperation Centre just outside Haifa, on the way to Tirat Hacarmel. Nitzan Asnin is anxious to hear from anyone who could bake a cake or cookies (yes — they are still wanted) for the many soldiers who are recovering from surgery. In addition, she would like to hear from anyone who could give there one afternoon a week to give out light refreshments and a morale-raising smile. If you can help, please contact Nitzan Asnin, at 04-25 15 67.

This appeal is especially urgent as many of the volunteers who are helping her at the moment are teachers — and come the end of August, they will be back at school. Haifa.
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